GEOLOGY

App.F.IX-4

1927

File No. Geol. 94-22.

Previous References Geol 10 & 18 (5-9) 94-22 (6, 9) (Geol) Prem

Serial Nos. 3-5, 7, 8, 10, 11, 14-17

Later references.

Geol. 47-26-1
" 35-25-1
" 40-26 (1-2)
" 70-26 (1-2)

Geol 181-27. with
" 77-28-1
" 99-30-1
" 99-30 (2-15)

147

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Eleven

Part B for Ans 25

SUBJECT

Policy to be adopted for the development of the ~~Board~~ Gold Mining Industry in the State. (Licenses applied for by the Gold Fields of Mysore and General Exploration Co., Ltd.,)

Filed

Rubbing

(1) 1604

F. R. S. 11] 1922.

GENERAL AND REVENUE SECRETARIAT.

(Geol)

NOTES.

94
File No. 2422

FILE HEADING.

Mineral licences applied for & held by M/s Gold Fields of Mysore & General Exploration Ltd

From

The Director of Geology

No. 504 Dated 2-10-22 Received 3-10-22

Diary No. 1604	Enclos.	Spare Copies.	Serial No. 2

BRIEF ABSTRACT OF LETTER.

Recommends for reasons stated that a prospecting licence may be granted to M/s Gold Fields of Mysore & General Exploration Ltd for gold over a block of about 4 sq miles of land in Anmiah pet Kolar

NOTES AND ORDERS.

In connection with the application for a certificate of approval the Director has been requested to state whether any useful purpose would be served by granting the certificate as the application refers to gold which is a reserved mineral.

Submitted for orders as the present application.

AAS 16-10-22

NOTES—First Sheet.

(2)

Serial No.

3 As desired by the Hon'ble Member the Director of Geology has been asked to report whether it will serve the applicant Company's purpose if a certificate of approval that gold is a reserved mineral. In the meantime two prospecting applications for gold have been received.

4 This was for consideration whether an exception might be made in the case of the Company for areas within the Director of Geology.

5 Recently two prospecting licences for gold were given by the Local Development Syndicate & the Kolar gold Syndicate for gold according to the revised rules. In their cases the licence was issued before the rules were actually revised and gold was ordered to be treated as a reserved mineral but on the understanding that the terms of the licence would be according to the rules as revised (this at that time undergoing revision)

Then file case before Council for a short-revising the orders regarding the mineral group which has been revised now

17/10

NOTE—Contn. sheet.

(3

G. R. S. III-2]

General and Revenue Secretariat. | Govt File No. 31 of 1924

Serial No.

Hence perhaps the precedent cannot apply in the present case.

Jn order

M.S.

17.10.22

Moreover the precedents themselves, such as they are are not final, being before the Council for further consideration. It is not desirable perhaps to take up this case for consideration, before the other two cases before the Council are disposed of. If it is difficult to make rules providing for the grant of some shares & not perhaps the reservation of the minerals — gold in this case — less & be complete, until Council & the passing of suitable rules can be secured from the proper quarters.

Secretary

28.10.22

NOTE.—Contn. sheet.

9.7.0.

R. S. III-21

General and Revenue Secretariat.

Gen File No. 31 of 1922

Serial No.

35-5-9.5-78

30.10.22

8 A question of policy is involved & the matter may go up to Council if the Dewan approves.

Rees
27.10.22

9 Dewan

1-11-22

10 Have lunch with the 2 pending cases. An interview sought for regarding these

11 The pending cases were submitted & the Dewan yesterday.

Dewan

7/11/22

12 who heard on these days. In the present case some views may be made representable - there were - 1st Mining privately can be registered upon land. 1/2 sq mile. This refers record. may be considered in C

C.11

? NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.	G.o.C File No.3/ of 1922.

Serial No.

13

For perusal of Dewan's minute before reference to Council Section

8/11/22

Dewan Member

Office. Please send copy of this G.O. withdrawing reservation of G.O. on this file when submitted.

a copy of G.O. 8 G.11.22 is submitted. 8/11

3840-225.
8.11.22.

Secn

Dewan

9.11.22

To The Chief Secretary with compliments

9.11.22

enclosed

8/11

NOTE—Contn. sheet.

20.383

W. D. 2725—GPB—2,000—5-5-16

6

REPLY.

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated 20th October 1922.

92 The case relating to prospecting for gold as a general question of policy, is pending final orders of Government.

93 I should like to see the whole file.

GEN. SECRET. ... IAT
23 OCT 1922
...TRIES & COMMERCE.
BRANCH.

The General Secretary,
with compliments.

20/10

94 A S Dec Urgent
23/10/22

95 Punch
23/10

Gold file no 26-22 relating to the applications received from the Sciences Development Corporation & Mysore Kolar Gold Syndicate etc was sent to the Confidential Branch on 25-9-22. The file is stated to have been submitted to the Dewan on 20-10-22.

Submitted with his files No 60-17 Serials 1-4 & 5-15.
24-10-22
25

DEWAN'S OFFICE.
Rcd. on OCT 26 1922
Reg. No. 2447

Dewan
26.10.22

Further proposals from the Co. may be awaited if any

For perusal
Dewan
13.11

First member
P.S. to Dewan
13.11.22

G. R. S. III-2

7

General and Revenue Secretariat. | File No. | of 19

Serial No.	
4015-400. 13.11.22	Secn Rees 14.11.22

P/A & Pleas keep for on the table cover in Sec to 14/11.22

A S 14/11/22

14/11

8

(For Disposal at a Meeting)

No. C.

295 9 1922-3

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause XVII of the schedule)

Application from the Gold Fields of Mysore and General Exploration Ltd., Kolar Gold Fields, for a prospecting licence for gold over 4 square miles of land in the Bowringpet Taluk.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

10th November 1922.

Extraordinary Member of Council. Seen. 14.11.22.

First Member of Council. Seen

295-9
10-11-22

Second Member of Council. 11/11

Third Member of Council.

7

Subject. -

Application from the Kolar Gold Fields of Mysore and General Exploration Ltd., Kolar Gold Fields for a prospecting license for gold over 4 square miles of land in Bowringpet Taluk.

...

OPINION OF THE COUNCIL.

Deferred till next meeting
by
Chief Secretary

(10)

Subject. -

Application from the Kolar Gold [redacted]s of Mysore and General Exploration Ltd., Kolar Gold Fields, for a prospecting license for gold over 4 square miles of land in Bowringpet.

.....

OPINION OF THE COUNCIL.

Dft to next week by 31/[illegible]

(11)

G. 195

Subject. -

Application from the Kolar Gold Fields of Mysore and General Exploration Ltd., Kolar Gold Fields, for a prospecting license for gold over 4 sq. miles of land in Bowringpet Taluk.

...

OPINION OF THE COUNCIL.

Deferred to next meet
&
23/4/35

D.O. 198/3. Oorgaum, 13th November 1922.

CONFIDENTIAL.

14 NOV 1922

Dear Mr. Banerji,

In accordance with your suggestion made at the close of my interview with you last Friday, during which you were so good as to listen to the explanation of my proposals in regard to an arrangement by which I think the gold mining interests of the State may be benefitted, I am now sending you in draft a short synopsis of what I have termed "A concession for selecting gold areas". The title as I explained to you avoids the use of the word "monopoly" which avoidance is all to the good.

You will note that "Government" and "the firm" are asked to consider the scheme and it is understood that so doing commits neither party to anything.

I am explaining to "the firm" that the scheme is virtually to take out a usual form of "option agreement" between themselves and "Government" on a 10 % basis, Government for giving the sole right to select any or all of their gold lands is to receive as a consideration the same terms that owners and discoverers of promising properties receive.

It is understood that "the firm" is to be allowed to do this

in their own name, or that of a company or companies, or that of a Syndicate or a Department as seems to them convenient.

I should like to emphasise the fact that under such scheme the interests of both "Government" and "the firm" would be one and the same, so that there would then be looking after the gold interests of the State of Mysore the organization of Messrs. John Taylor & Sons helped by all the experience of their staff.

You were good enough to say that at its first presentation to you the scheme seemed a fair one. If after further consideration you still think that is so, I shall be much obliged if you will let me know. I would then cable Messrs. John Taylor & Sons asking them to put forward their views on the scheme.

Yours sincerely,

P Borwn Hamilton

"A CONCESSION FOR SELECTED GOLD AREAS

CONFIDENTIAL.

Mr. BOSWORTH SMITH'S PROPOSAL.

(I) That the Government of His Highness the Maharaja of Mysore ("Government") and Messrs. John Taylor & Sons of 6, Queen Street Place, London, E.C.4, ("the firm") consider a scheme for prospecting, testing, developing, and mining the gold lands of the State on such lines that the "Government" agree to hold all their interests in gold lands at the disposal of "the firm" giving "the firm" a concession to select gold mining areas therefrom for a term of 5 - 10 years ("term").

(II) During this "term" "the firm" shall be at liberty to explore all the lands of the State and therefrom to select any area that they consider advisable (which areas may be of any size and of any shape) to test for gold and gold ore ("selected areas").

(III) The "selected areas" shall be demarcated by "the firm" and marked on the topographical map of 1" = 1 mile and rent shall be paid to "Government" for these areas at the rate of Rs. 50/- per square mile or part thereof.

(IV) "The firm" shall prospect and test those "selected areas" and be at liberty to take out mining leases on the same in the name of a company or companies ("Developing Company") which shall be formed by "the firm" to develop the same on the ordinary lines of gold mining. Such leases shall be held under terms of rent and royalty similar to those at present in force for the producing mines of the Kolar Gold Field.

(V) The "Government" in return for granting this "concession" for selecting "gold areas" shall receive a 10 % interest in each initial "Developing Company" formed to develop and mine gold on these mining leases.

P. Bosworth Smith

15) 12

D. O. No. 106. GENERAL AND REVENUE SECRETARIAT.

Dated Bangalore, 17th november 1922.

Dear Sir,

I have received your D.O.No.135 of the 15th November 1922 regarding Mr. P.Bosworth Smith's proposal. Our royalty revenue from the Kolar Mines is gradually declining and it is necessary and desirable to encourage the discovery of other Gold bearing areas, if any, in the State. The work is highly speculative and may prove altogether fruitless and all the money invested on it may be lost if no deposits are found and it is not therefore possible for Government to spend any money of their own on it. But if an experienced firm like Messrs.John Taylor & Sons undertake to do the work with their own funds or with those of a Syndicate formed for the purpose and offer to give us a share of the value of the interest created by any discovery made, without liability for any loss sustained, the proposition is well worth consideration . I understand that Mr.Bosworth Smith's proposal is of this nature and I think it is well to develop it. The views of Messrs. John Taylor and Sons may be invited on it. I am not sure if the ~~permission~~ Scheme for selecting Gold Mining areas need include " mining the gold " as stated in condition No.1 of the proposal. It is not also desirable to promise that any leases taken out for mining " shall be held under terms of rent and royalty similar to those at present in force for the producing mines of the Kolar Gold Field ". Even if the rates of royalty are not increased it may be found necessary to change other provisions in the contract e.g. the clause relating to the definition of dividends for calculating royalty payable on them. The " term " (Condition no 1) may perhaps be shorter than that proposed. These are however matters of detail and may be considered later on. The

16 +23

The idea itself is I think a good one and it is well to pursue it.

Yours sincerely,

M. Visvesvaraya

To

A.R.Banerji, Esq., M.A., C.S.I., C.I.E.,

Dewan of Mysore,

Bangalore.

(Confidential)

D.O.No. 416

5, St. Mark's Road,

BANGALORE, 27th November 1922.

Dear Mr. Banerji,

In reply to your Confidential D.O.M.134 dated the 15th of November '22 I have carefully considered Mr. Bosworth Smith's proposal for a concession for selected gold areas. I believe this proposal is t h e result of some suggestions I made to Mr. Bosworth Smith some time ago. He informed me that Messrs. John Taylor & Sons were not prepared to enter into a joint Syndicate with the Mysore Government on the lines of the proposals which I had previously placed before you.

I do not know the exact nature of Messrs. John Taylor & Sons' reply to Government but I gather that they considered that there would be very great difficulty in raising the capital necessary for such Syndicate and that the very limited areas to which they would have a final claim render the proposition insufficiently attractive in view of its highly speculative character.

I suggested to Mr. Bosworth Smith therefore that he might consider a proposal for dealing with the Mysore Government as the Proprietor of certain auriferous tracts on ordinary business lines, that Messrs. John Taylor and Sons should offer to take over these tracts, explore them and develop them and give Government a certain share in any Companies which may be formed. Mr. Bosworth Smith's proposals are, I believe, the outcome of these suggestions and I offer the following remarks about them:--

(1) Government are asked to hold all their interests in gold lands at the disposal of the firm for a period of from 5 to 10 years in order to select Gold

Mining

mining areas.

I would agree to this concession being given for a term of five years - the work to be carried out under ordinary Exploring Licenses for each District of the State in which exploration work is to be carried on. The work would, of course, be carried on subject to all existing concessions and vested interests.

(2) & (3). I agree that the selected areas may be of any size and shape but for each area a Prospecting License should be taken out with a view of regulating the conditions under which work is carried on. Each Prospecting License for a selected area should be accompanied by a map in which the area is clearly marked on an extract from the Revenue Survey maps in order that the boundaries may be clearly recognizable by the Revenue authorities. I suggest that the rent to be paid to Government for these areas should be at the rate of one anna per acre for the first two years of the License, two annas per acre for the third year, three annas per acre for the fourth year, & four annas per acre for the fifth year. This would give a period of 5 years for the prospecting of a selected area.

(4) During the currency of each Prospecting License the Firm shall be at liberty to take out one or more Mining Leases in the name of a Company or Companies.

I have no objection to the Leases being held under terms similar to those in force for the producing Mines of the Kolar Gold Field as it is possible that some of the existing Kolar Companies may take up some Leases and it might introduce difficulties if the work is to be carried on under somewhat different terms. I do not think that we need definitely restrict the shape or area of each Mining Lease but we should have to stipulate that t h e

total

total area held under Mining Leases under this concession should not exceed a total of 10 sq.miles without the sanction of the Government of India.

(5) Mr. Bosworth Smith proposes that Government shall receive 10 per cent. interest in each Development Company in return for the grant of the concession. In view of the fact that Government would receive 5 per cent. of the Gold plus 2½ per cent. of Dividends, this additional 10 per cent. makes up, I think, a very handsome return to Government for their proprietory rights.

I do not, however, think that the expression "10 per cent. interest" is sufficiently clear. Usually speaking, a Mining Proprietor who parts with his rights to a Company or Syndicate would receive a consideration partly in cash and partly in shares of the Company. At the present day and under the conditions which exist in Mysore I doubt if any cash consideration could be obtained. The consideration would therefore amount to Government receiving 10 per cent. of the shares of each Company. To my mind, this is not altogether satisfactory. It would be quite all right provided the Company was successful from the outset but in very many cases the Company will exhaust its funds and reconstruct in which case, Government, along with other share-holders, would be given fresh shares credited with a certain amount paid up and would have to pay up the balance on such shares. In such a very speculative business I dont consider that this would be very advisable and I would suggest that the consideration received by Government should be an additional 10 per cent. of the net profits or dividends of each Mining Company or its Successors and Assigns. Government would then share in any success which might be attained without running the

risk

20) 37

risk of having to put up money for re-construction or forfeiting their shares in the concern.

This aspect of the question may be put before Messrs. John Taylor and Sons. If they are prepared to negotiate at all on these lines we might perhaps be able to make the terms somewhat easier. For example, I would be prepared to give the Mining Leases on the terms of our present Rules instead of on the terms of the present Kolar Leases. This means that a Mining Company would not be called upon to pay the 5 per cent. Royalty on the value of the Gold obtained until the work became profitable a n d Dividends were being distributed. Our present Rules provide that in addition to the 5 per cent. Royalty the Lessee shall pay 5 per cent. of the net profits or dividends but in view of the special concession which we offer we might ask that this should be increased to 10 per cent.

The net result in the case of a successful Company would be that Government would get 5 per cent. of the Gold plus 10 per cent. of the Dividends and the two together might very well amount to 25 or 30 per cent. or more of the net profits.

I merely suggest this alternative for y o u r consideration in the event of further negotiations but for a start I would be inclined to accept Mr. Bosworth Smith's proposals and say that the Government would be willing to accept the terms of the existing Kolar Leases plus an additional 10 per cent. of the Dividends and keep the other alternative to fall back upon, if necessary.

Yours Sincerely,

A. R. Banerji, Esq., M.A., I.C.S.,
C.S.I., C.I.E.,
Dewan of Mysore,

BANGALORE.

220a

28th ovember 1922.

Dear Mr. Raghavendra Rao,

In continuation of my D.O. letter No.M. 133 dated the 15th instant, in the matter of the development of gold mining in the State, I send herewith copies of letters received from the Financial Secretary and Dr. Smeeth on the same subject. I shall be obliged if you will kindly expedite your opinion in the matter.

Yours sincerely,

V

Rajamantra pravina
P. Raghavendra Rao, B.A., B.L.,
Member of Council.

21 79

1039

REPLY

(*To be written on this margin.*)

Considering the proposition

Secl
29.11.22

OFFICE OF THE
FIRST MEMBER OF COUNCIL

NOTE

Dated 29. 11. 1922.

Refce: Govt no to Chiefs
No m/133 of 15. 11. 22
marked confidential
& No m/150 of 25. 11. 22.

I have gone through the letters giving expression to the views of the Financial Secretary & Mr. Smeeth, respectively, in the matter of the offer made by Mr. J. Bosworth Smith of the K.G.F. for the further development of gold mining in the State, and also thought over the matter myself.

The gold mining industry in the State, which is practically confined to the K.G.F. area, owes its development to the perseverance, resources & skill of private enterprise though it is rather an unfortunate circumstance that it should not be a local one. Though it is very doubtful if local enterprise of the necessary would be forthcoming [redacted] even at the present [redacted]

yet there could be no two opinions about it as matters stood some years ago. There was no local enterprise forthcoming. As matters are therefore it is outside enterprise that has to be looked to for the development of this industry with all its enormous cost not forgetting the great risk which is incidental to it. It is out of the question to ask any Govt to embark on such enterprise of a highly speculative nature. There is gold in the State & if the gold mining industry is to be further developed, recourse must, I am afraid, be had to outside enterprise.

Coming now to Mr. Bosworth Smith's proposal. I am inclined to agree with Mr. Smith in the views expressed by him as regards the conditions under which Exploring and prospecting may be done. These operations should be conducted under the regular licenses. & subject to the regular rules. Exception being made only in the case of the period which may be five years in the first instance, and the areas to be exploited. Mining leases may be granted during the period, though I think the conditions ought not to be the same as what they are at present in respect of the K.G.F. area. My own feeling is - & it is the general impression also as far as I am aware of it - that the conditions are somewhat liberal and not particularly advantageous to the Govt. At present what we get from the gold mining companies in the K.G.F. area are (1) a royalty of 5 p.c on the sold mines & (2) an additional sum calculated at 2½ p.c on the dividends. To my mind, this is not good enough. At the same time I am not in favour of increasing the rate of the royalty. The profits of the Govt should be looked for in the additional sum to be calculated on the dividends. I should make this ten p.c. This may seem to be high, but I do not think we should barter away our proprietary rights for anything less. Of course there is the alternative of asking for a certain percentage of the shares issued by the Company which may take out a mining lease. In spite of the sentiment which is usually attached to this, I am afraid that it does not commend itself to me. To begin with it would make the Govt a part proprietor & subject to such liabilities & responsibilities of one kind and it seems to me that Govt should avoid getting into such a position. I should have nothing whatever to do with the working of the Companies. If Messrs Whitaker Sons. are agreeable to any such arrangement it is worth while

C 195

WD 243—GPB—1,000—24-3-22

Confidential

REPLY

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated.....1st December 192 2.

The whole file of papers relating to the offer made by Mr. Bosworth Smith for the further development of gold mining in the State is forwarded, with compliments, to the Chief Secretary for favour of circulation to Council and bringing up before an early meeting of the Council.

Chief Secretary to Government, with compliments.

(24)

Extract from the Proceedings of the 633rd *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 7th December 1922. *19* G

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145. Subject. - Clause xxvii of the schedule.

Application from the Kolar Gold Fields of Mysore and General Exploration Ltd., Kolar Gold Fields, for a prospecting licence for gold over 4 sq. miles of land in Bowringpet Taluk.

OPINION OF THE COUNCIL.

The Council are in favour of a scheme for the developing of Gold mines in the State providing for securing to itself a proprietory interest in the industry in addition to the present returns derived from Gold mines, viz., 5% royalty and 2½% on dividends. The details of the scheme may be settled by further negotiations.

Note:--

Meantime the consideration of the application of Kolar Gold Fields of Mysore and General Exploration Company Ltd. may be deferred.

...

(Signed). A. R. BANERJI,

Dewan of Mysore.

"EXTRACT"

Chief Secretary to Government.

WD 433—GPB—1,000—1-9-20

For Board notes whether the enquiries have to be made from the Dominions Office or the page may be passed on to General Secy for action

H
14/viii/20 Y & Hawke

25

2 195

R. S. III-21

General and Revenue Secretariat.	File No.	of 19

Serial No.

Subject. -

Application from the Kolar Gold Fields of Mysore and General Exploration. Ltd. Kolar Gold Fields, for a prospecting license for gold over 4 sq. miles of land in Bowringpet Taluk.

Extract from the Proceedings of the Council is submitted.

4980-472
15.12.22

First Member. 8/12

Trial Note signed by the First Member is placed on file.

Dy 8u
22/12/22.

S. N. Subba

Dewan 22/12/22

I am to say I am directed by the Hon'ble the Chief Secretary to the Council to refer to the Hon'ble Member's note dated 20.10. Please 4/12 20/12

NOTE—Contn. sheet.

28 DC to 26.12.22 supply the memo with 4/pl the Secretary concerned

C 195 26 1604 94

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19 .

Serial No.

R
J
K & L
M

The following papers are placed below for reference:—

1. Maganlal Chicoomi papers.
2. Discussion with John Taylor & Sons
3. Resumption of gold
4. Withdrawal of reservation.

As the papers were submitted direct from the Council Section and were not referred back to this Branch these references could not be found up.

MS
29/12/22

Dewan)

Please supply to me Bosworth Smith's letter and Muller's dress the proposal next Friday. Please prepare a press note of the whole case briefly. next Friday I resolution —

May I draft for the Secretary's. Please see my Final Note of 8.11.22

HS
21.12

M
4/1/23

G. S will please put up a press
Mr
2.1.23

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.	File No.	of 19

Serial No.

A precis is put up as directed and the file is resubmitted for orders.

MR
4-1-23

Dewan)

The Dewan discussed the subject with Mr Bowerman Smith on the 5th inst.

A draft submission is put up as personally directed, for approval and orders.

MR
11-1-23

GL Secy)

Dewan)

Let
10-1-23

MR 12/1/23

Effect is noted
4/5/1

NOTE—Contn. sheet.

441

28 ~~28~~

NOTE.

Development of Gold Mining Industry in the State.

---

1 Hogarth negotiations.

The question of developing gold mining in the State has been ~~urging~~ engaging the attention of Government for several years past. About 29 years ago i.e., about the year 1893 one Mr. Francis Hogarth of London applied to Govt for permission to prospect for gold and other minerals in the State and stated that if suitable concessions were offered to him, he would raise the necessary capital and also float a syndicate to carry on the work. After some correspondence with the Govt. of India through the Residency, the following concessions were offered to Mr. Hogarth in the year 1896:-

A syndicate with a capital of £ 20,000 to £ 30,000 to be spent on efficient prospecting for gold to be formed within two years from 8th February 1894. On receipt of application made by the syndicate within that period the exclusive right to prospect within 20 specified areas of 5 square miles each to be granted to the syndicate subject to certain conditions detailed at pages 4,5,34 and 35 of printed collection placed below.

2. After some protracted correspondence further revised concessions were offered and a draft agreement embodying the same was -- forwarded to Mr. Hogarth for his information and comment. These terms are setforth in detail at pages 124 to 130 of the Printed Collection.

3. Mr. Hogarth acknowledged receipt of the draft on 16-2-1910 and stated that it was receiving his attention but though it is over 12 years now, no further communication on the subject has been received from him and it not even known whether he is still alive.

P 133. Flag K

II. Question of Govt. participation in Gold Mining Industry.

Gen 60-17 PP 1-3. Flag K

4. The question was again urged on the attention of Govt. in 1916 by Mr. P.F. Powring, when he was Deputy Commissioner of Kolar. He submitted a note of his observations in respect of a gold mine called the ~~Xxxx~~ East Batarayaswami Gold Mine a few miles north of the K.G.F. area. He explained in his note that this mine belonged to the Proprietors of the 'Statesman' Newspaper of Calcutta, that it was worked by a Company formed by Messrs. John Taylor & Sons in 1914 but was given up after spending about £ 11,000, that it was available for sale and that, if the idea commended itself to Govt., it was desirable to have the matter investigated in consultation with the Director of Mines and Geology and the Chief Inspector of Mines ~~&~~ decide once for all whether it would be worth while for Govt. to spend a couple of lakhs of rupees to find out whether the concern would be a profitable one or not.

5. The Director of Mines and Geology ~~and~~ and the Chief Inspector of Mines were accordingly consulted and their opinion was to the effect that the chances of success in reopening the said mine were very meagre. Dr. Smeeth at the sametime proposed an alternative scheme for starting a large prospecting syndicate or Company with the

Gen 60-17 PP 17-30. Flag K

30

whole of Mysore as its field of operations in the search for gold, such a company having a working capital of £ 100,000 of which £ 50,000 might be subscribed by Govt. and the balance by others, the whole management being placed under Messrs. John Taylor & Sons, whose knowledge and experience of Indian and especially Mysore conditions placed them in a peculiarly favourable position. He also offered to discuss the matter with John Taylor and Son during his visit to England and suggested in the meantime that no further leases or licenses for gold should be granted to any one. The consideration of the question was however postponed and with the approval of ~~H.H.~~ His Highness, confidential instructions were issued to the Director of Geology in January 1918, that pending the decision of Govt. on the question, no prospecting licenses or mining leases should be granted for gold.

6. On his return from England and America Dr. Smeeth was asked in January 1919 to report whether he had any further suggestions to offer in the matter. The question was as suggested by him, referred to the Committee appointed by Govt. to consider the question of exploitation of minerals in the State. Dr. Smeeth placed before the Committee a note on the distribution of gold Ore and prospecting and mining operations carried on and the amount of money spent in that connection, which

which showed that the results obtained had not been encouraging. This committee thereupon expressed the opinion that the question as to whether Govt money to the extent of about 5 lakhs might be spent on gold prospecting when the chances of success were so few was are entirely for the ~~xxxxxxxx~~ consideration of Govt. Dr. Smeeth who was one of the members of the ~~xxxxxxx~~ Committee suggested in the course of the discussion the possible alternative of the Kolar Companies which so far had shown themselves very sound ~~workers~~ being given a monopoly of all available gold deposits in the State on condition that in the event of prospecting ending with any success and of workable deposits of gold being discovered and a Company being floated for working the same, Govt. should be given in consideration of the monopoly a certain percentage of the shares of such Company. The Committee thereupon proposed that Dr. Smeeth might prepare a note on the lines suggested and submit the alternative scheme for the orders of Government.

Flag B. page 26. para 5

7. Dr. Smeeth accordingly drew up an alternative scheme and addressed Govt. on the subject in his letter dated 13-2-20. The main suggestions contained in his letter were the following:-

Flag J pp. 40-43.

i) Messrs. John Taylor and Sons might be approached with a view to the formation of a syndicate for prospecting gold in Mysore;

ii) The syndicate might be offered the exclusive right of selection of gold blocks for a period of says 3 years instead of the terms of the Hogarth concession which granted only the right to select during a period of 3 years some 20 blocks only, and also the right to explore the whole country with the exception of the blocks already granted and the right to take out within that period 10 prospecting blocks, under the rules of 1920 for the grant of licenses and leases.

8. The question was considered at a meeting of the Council held on 9-10-1920 and it was resolved (i) that, owing to the present financial situation, it was undesirable to risk any State Funds in this speculative ~~venture~~ venture; (ii) that the matter may be brought up again two years hence and (iii) that in the meanwhile, Messrs. John Taylor & Sons might be addressed with a view to ascertain if they would ~~understand~~ undertake gold prospecting in the State on the terms of the 'Hogarth concession'

8. The recommendations of the Council were approved by His Highness and Messrs. John Taylor & Sons were accordingly addressed on 24-12-20 as to whether they were prepared to undertake gold prospecting in the State on the terms of the 'Hogarth concession' and in the event of negotiations being entered into formally, the terms of any concession which might be mutually agreed upon would have to be submitted to the Govt. of India for their approal before final conclusion of any agreement.

Messrs. John Taylor & Sons replied on

6-7-1911 that the prospect offered was not sufficiently strong under prevailing conditions to induce investors to take up prospecting in the Mysore State on the lines of the Hogarth concession. If however the Govt. saw their way to taking a substantial part in the cost incurred in the prospecting work, ~~they~~ they said saw they would be willing to further consider the matter but as they understood that the Govt did not feel justified in embarking upon such project at the present moment they were of opinion that the matter might be allowed to ~~be~~ lie over.

9. In the meanwhile prospecting licenses for gold had been granted by Govt. to certain private syndicates noted in the margin independently of the negotiations with Messrs. John Taylor & Sons. The claims for rent due from these syndicates were ordered to be kept in abeyance till the close of the year 1917 on account of the War which prevented the syndicates from carrying on prospecting work on their blocks. When the continuance of the same concession was asked until the close of the year 1918 ~~that~~ Govt ordered in March 1919 that steps should be taken to recover the full amount of rents due from the licensees till the close of the year 1917.

1. The Kadur Shimoga Gold Field Syndicate Ltd over one sq.mile (Siddanahalli block) in the Tarikere Taluk.
2. The Kadur Shimoga Gold Field Syndicate Ltd. over 1½ sq.mile (Lakvalli Block) in the Tarikere taluk.
3. The New Shimoga Gold Field Ltd over one sq.mile (Jalagargunde Block) in the Tarikere Taluk.
4. The Eastern Development corporation Ltd. over 4 sq. miles (Honnali Block) in the Honnali Taluk.

Thereupon the Director represented that licenses held by the Firms were not renewed, but only their lien on the blokks recognised and suggested that the licensees might be asked to apply for the renewal of licenses from the dates of last

renewal and to pay up the rents due.

In regard to the suggestion of the Director that licenses might be formally renewed on payment of rent, Government directed in ~~xxxxxx~~ their order of 25th June 1919 that the demand for rent be dropped and the parties told to apply, if they so desired, for licenses under the new rules which were then under revision in due course.

In accordance therewith the Director reported that, as the syndicates had applied for fresh licenses, the same might be granted. But Govt. had directed in their Order dated 15-1-1921 -that as gold was reserved mineral throughout the State (Vide G.O.No.G.24557-62/Geol. 47-18-11 dated 29th April 1920) that the applications for the grant of fresh licenses could not be entertained. The Director once again urged a reconsideration of the above order but the Govt. did not agree to the proposal.

10. Later Mr.P. Bosworth Smith as the representative of the Geological and mining interests of the Eastern Development Corporation Ltd, interviewed the Dewan and the First Member of Council and explained the difficulties of the Firms in respect of prospecting for gold in certain blocks selected by them and represented that the syndicates had spent a very large amount of capital on prospecting over these blocks and had not realised anything in return and requested reconsideration of the above orders refusing to grant fresh prospecting licenses.

On a further consideration of the question Govt. decided grant renewals of prospecting licenses in the case of the marginally noted syndicates subject to the following conditions, (i) the mining lease ~~which~~ ~~to be~~ granted to be limited ½ sq. mile, (ii) the syndicates to allot to Govt. 10% of the share capital, or with alternative (iii) to pay in addition to the usual royalty of 5% another sum calculated at 7½% of the divisible profits.

Flags Q & E

1. The Kadur Shimoga Gold Field Syndicate Ltd.
2. The New Shimoga Gold Field Ltd
3. The Eastern Development corporation Ltd.

Geol 66-20 (3-8) Flag Q
Geol 26-22-2 Flag E

12. Similarly the North Kolar Gold Syndicate held a prospecting license No 423 for gold over a block of one sq.mile of land in Kolar and Mulbagal taluks which expired in September 1917. The application made in November 1917 by the syndicate was ~~requested~~ rejected, as the whole question of exploitation for gold in the State was then under the consideration of Govt.

Flag D. Geol 17-1-1

13. Subsequently on the representation of the syndicate that they had spent large sums of money on exploitation work and on the recommendation of the Director, Govt. in their order of 5-6-1919 directed that while the license could not be renewed, the syndicate would be given the option to take out a mining lease under the revised rules then under consideration.

Flag C Geol 38-17-7.

According to the revised rules, which were issued in May 1920, the area over which a mining lease can be granted is limited to ½ a sq.mile. ~~of land~~ The syndicate urged might be granted to them as a special case and the Director of Geology supported the request.

Flag B.

The limit a mining lease over one square mile of law

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15 In this case also Govt. have proposed to offer the same condidions given to other Syndicates mentioned in para 11 above.

16 In all these cases the Director of Geology has been asked to enquire if the syndicate are willing to accept the conditions and his report is due.

IV Withdrawal of reservation of gold.

17 In connection with certain applications received for minerals required for industrial purposes in the State, Govt. directed in their order of 29th April 1920 that, pending further investigation as to the requirements of local industries and the available supplies of material, certain ores and minerals within specific areas should be reserved for Government but licenses might be granted in respect of the ores and minerals so reserved, at the discretion of Government to approved applicants coming forward with an undertaking to develop local industries. Gold was reserved throughout the State.

Flag L.
PP 30-31.
Geol 47-12-2

18 The Director of Geology reported that for want of funds and facilities prospecting work on commercial lines which was directed to be one of the items of work of the Geological Department (Vide G.O. dated 18-9-19) could not be undertaken by the Department and that the same might be left to private enterprise.

L
PP 33-44.

19 This subject was also considered by the Board of Industries and Commerce and

and they recommended that all reservations might be withdrawn so that ~~wk~~ the commercial exploitation of minerals might be undertaken more vigorously by private capitalists.

20 On consideration of these recommendations Government directed on 6-11-22 that the reservation of Gold and ~~some~~ a few other minerals notified in G.O. of 29-4.20 be withdrawn.

21 The Director of Geology forwarded on 2-10-22 a copy of an application from the Gold Fields of Mysore and General Exploration Ltd., for a prospecting license for gold over a block of about 4 sq. miles of land in the Bowringpet Taluk and recommended the application for favourable consideration.

P.U.B I

V Application from the Gold Fields of Mysore & General Exploration Ltd. for a prospecting license for gold.

Mr. P. Bosworth Smith interviewed the Dewan and on behalf of Messrs.John Taylor and Sons has made the following proposals in the in the matter of further development of gold mining in the State.

P.U.B II

i. That the Government of H.H. the Maharaja of Mysore (Government) and Messrs. John Taylor and Sons of 6, Queen Street Place, London, E.C. 4 ("the firm" consider a scheme for prospecting testing, developing, and mining the gold lands of the State on such lines that the "Government" agree to hold all their interests in gold lands at the disposal of "the firm" giving "the firm" a concession to select gold mining areas therefrom for a term of 5-10 years ("term")

ii. During this "term" "the firm" shall be at liberty to explore all the lands of the State and therefrom the select any area that they consider advisable (which areas may be of any size and of any shape) to test for gold and old ore ("selected areas")

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iii. The "selected areas" shall be demarcated by "the firm" and marked on the topographical map of 1"= 1 mile and rent shall be paid to "Government" for these areas at the rate of Rs.50 per square mile or part thereof.

iv. "The firm" shall prospect and test those "selected areas" and be at liberty to take out mining leases on the same in the name of a company or companies ("Developing Company") which shall be formed by "the firm" to develop the same on the ordinary lines of gold mining. Such leases shall be held under terms of rent and royalty similar to those at present in force for the producing mines of the Kolar Gold Field.

v. The "Government" in return for granting this "concession" for selecting "gold areas" shall receive a 10% interest in each initial "Developing Company" formed to develop and mine gold on these mining leases.

23 The Financial Secretary and Dr.Smeeth were consulted. The Financial Secretary's opinion is as follows:-

(i) If an experienced firm like Messrs. Taylor and Sons undertake the work with their own funds and offer to give Government a share of the value of the interest created by any discovery made without liability for any loss sustained the proposition is well worth consideration.

(b) The scheme for selecting gold mining areas need not include "Mining the gold" as stated in condition No.1 of the proposal.

(c) The "term" (condition No.1) may perhaps be shorter than 5 yo 10 years proposed.

(3,4 and 5) It is not desirable to provide that any leases taken out for mining shall be under terms of rent and royalty similar to those at present in force for the

mines of the K.G.F.

Even if the rates of royalty are not increased it may be found necessary to change other provision in

(next page)

in the contract e.g. the clause relating to the definition of dividends for ~~xxxxx~~ calculating royalty payable on them.

24 Dr. Smeeth's opinion is as follows:-

(1) The term may be for a period of 5 years. The work to be carried out under ordinary exploring licenses for each District in which exploring work is to be carried on subject ~~xx~~ of course ~~to~~ all existing concessions and vested interests.

(2 and 3) (a) The slected areas may be of any size or shape but for each area a prospecting license should be taken out with a view of regulating the conditions under which work is carried or

(b) Each prospecting license should be accompanied by a map in which the area is clearly marked on an extract from the Revenue Survey maps.

(c) The rent to be at the rate one anna per acre first two years.

2 annas - the third year.
3 annas fourth "
4 annas fifth "

4(a) During the currency of eac prospecting license the Firm may take ~~over~~ one or more mining leases in the nar name of a Company or Companies.

(b) The leases may be granted under the terms similar to those in force for the producing Mines of the K.G.F.

(c) The shape or area of each r mining block need not be restricted but the total area held under mining leases

under this concession should not exceed a total of 10 square miles without the sanction of the Govt. of India.

(5) In view of the fact that Govt. would receive 5% of the gold plus 2½% of dividends, the additional 10% interest in each Development Company makes up a very handsome return to Govt. for their proprietory rights. The expression '10 percent ~~x~~ interest' is not sufficiently clear. In case Govt. receive 10% of the shares of each company it will not be altogether satisfactory. He suggests that the consideration received by Govt. should be an additional 10 percent of the net profits or dividends of each mining company or its successors and assigns or in the alternative as provided in the present rules that in addition to its 5 percent royalty the lessee shall pay 5 percent of the net profits or dividends but in view of the special concessions offered this might be increased ~~x~~ to 10 percent.

15 The question was considered in Council on 7-12-22 when the following resolution was recorded:-

"The Council are in favour of a scheme for the developing of gold mines in the State providing for securing to itself a proprietory interest in the industry in addition to the present returns derived from gold mines viz., 5 percent royalty and 2½ percent dividends. The

The details of the scheme may be settled by further negotiations."

Note:-

~~Xpexxx~~ Meantime the consideration of the application of Kolar Gold Fields of Mysore and the General Exploration Company Ltd may be deferred.

Subs
M.C.
4.1.23

Final Note by the First Member of Council.

Subject:—

Development of Gold Mining Industry in the State.

The Director of Geology has, with his letter No.504 dated 2nd October 1922, forwarded for the orders of Government, a copy of an application dated 1st September 1922, from the Mysore and General Exploration Limited, Kolar Gold Fields, for a prospecting license for gold over a block of about 4 square miles of land in Bowringpet Taluk and recommended the application for the favourable consideration of Goverr ment.

2. Mr. P. Bosworth Smith of the Kolar Gold Fields has, on behalf of Messrs. John Taylor and Sons, made certain proposals in the matter of the further development of gold mining in the State. (Vide his Confidential demi-official letter No.198 dated 13th November 1922 to the Dewan).

3. The views of the Financial Secretary and Dr. Smeeth, who were both consulted on the offer made by Mr. Bosworth Smith, are contained in demi-official letters Nos.106 dated 17th November 1922 and 416 dated 27th November 1922, respectively.

4. I have gone through the letters giving expression to the views of the Financial Secretary and Dr. Smeeth, respectively, and also thought over the matter myself. My own views and reflections in this matter as well as my recommendations are found noted down in my minute of the 29th November last.

5. The subject was considered in Council at its meeting held on the 7th instant when the following resolution was recorded:-

"The

"The Council are in favour of a scheme for the developing of gold mines in the State providing for securing to itself a proprietory interest in the industry in addition to the present returns derived from gold mines, viz., 5% royalty and 2½% on dividends. The details of the scheme may be settled by further negotiations.

NOTE. Meantime the consideration of the application of Kolar Gold Fields of Mysore and General Exploration Company Limited may be deferred."

6. The recommendation of the Council is submitted for His Highness' gracious orders.

P Raghavendra Rao
22.12.22
MEMBER OF ~~COUNCIL~~.

21st December 1922.

Submitted to His Highness.

I submit herewith, for His Highness' gracious perusal and orders, a Final Note by the First Member of Council in regard to the policy proposed to be adopted for the development of the gold mining industry in the State.

2. In this connection I solicit kind reference to my Final Note dated 8th November 1920 in which I have traced in detail the polic adopted from time to time by the Government since the year 1893 when one Mr. Francis Hogarth of London applied for permission to prospect for gold and other minerals in the State by floating a syndicate with the requisite large capital for carrying on the work.

3. In accordance with His Highness' order on the recommendations of the Council referred to in my above Final Note, Messrs. John Taylor & Sons were addressed as to whether they were prepared to undertake prospecting work for gold in the State on the terms whic are known as the "Hogarth concessions." The firm replied, in their letter dated 6th July 1921, that under the prevailing conditions the prospects offered were not sufficiently strong to induce investors to take up prospecting work in the State and they further stated that if the Government, however, saw their way to take a substantial part in the cost to be incurred in such prospecting work they would be willing to further consider the matter but that as they understood that the Government did not feel justi fied in embarking upon such a project for the time being, they were of opinion that the matter might be allowed to lie over.

4. In the meantime, the Director of Geology forwarded, on 2nd October 1922, an application from the Gold Fields of Mysore and General Exploration, Ltd., for a prospecting license for gold over a block of about four square miles of land in the Bowringpet taluk and recommended the application for the favourable consideration of Government. While this application was under the consideration of Government, Mr.Bosworth Smith interviewed me, on behalf of Messrs.

45

Messrs. John Taylor & Sons, and put forward certain proposals regarding the further development of gold mining in the State. These proposals are in brief as follows:-

(i) That the Government of His Highness the Maharaja of Mysore ("Government") and Messrs. John Taylor and Sons of 6 Queen Street Place, London. E.C. 4 ("the firm") consider a scheme for prospecting, testing, developing, and mining the gold lands of the State on such lines that the "Government" agree to hold all their interests in gold lands at the disposal of ~~the~~ "the firm" giving "the firm" a concession to select gold mining areas therefrom for a term of 5-10 years ("term".)

(ii) During this "term", "the firm" shall be at liberty to explore all the lands of the State and therefrom to select any area that they consider advisable (which areas may be of any size and of any shape) to test for gold and gold ore ("selected areas").

(iii) The "selected areas" shall be demarcated by "the firm" and marked on the topographical map of 1" = 1 mile and rent shall be paid to "Government" for these areas at the rate of Rs.50 per square mile or part thereof.

(iv) "The firm" shall prospect and test those "selected areas" and be at liberty to take out mining leases on the same in the name of a company or companies ("Developing Company") which shall be formed by "the firm" to develop the same on the ordinary lines of gold mining. Such leases shall be held under terms of rent and royalty similar to those at present in force for the producing mines of the Kolar Gold Fields.

(v) The "Government" in return for granting this "concession" for selecting "gold areas" shall receive a 10 % interest in each initial "Developing Company" formed to develop and mine gold on these mining leases.

5. After consulting both the Financial Secretary and Dr. Smeeth on the above proposals the subject was considered in Council and the resolution referred to in the First Member's Final Note was recorded.

6. Before

46

6. Before submitting this resolution to His Highness for orders I thought it advisable to discuss the question once again with Mr. Bosworth Smith with a view to making the position more explicit and the terms more definite. I accordingly interviewed him on the 5th instant and arrived at certain understanding with him. The crux of the whole question lies in coming to a definite decision on the following points:-

(1) whether, in the granting of new licenses for prospecting for gold, the State should be satisfied with merely levying royalty from the gold mining companies according to the existing rules,

or (2) whether it is desirable for the State, in addition to the royalty that it is entitled to, to take a more active part in the development of the industry so as to participate in the profits thereof.

7. The restriction placed on the prospecting of gold by the reservation of the mineral to Government has since, under the orders of His Highness, been removed so that the commercial exploitation of the minerals might be undertaken more vigorously by private capitalists. But in granting permission hereafter for the exploitation of gold it appears to me to be very necessary and desirable that Government should secure to itself a proprietory interest in the industry, in addition to the present returns it is entitled to from the levy of royalty alone and 2½ per cent. on declared dividends.

8. In the proposals now put forward by Mr.Bosworth Smith on behalf of Messrs. John Taylor & Sons, he is agreeable to allow the Government a place as proprietors and to participate in the profits of the industry. In my further discussion with Mr.Bosworth Smith I have pursuaded him to agree to the following additional terms on which Government might be prepared to grant permission to Messrs.John Taylor & Sons to carry on further development of gold mining in the State:-

(i) That the syndicate undertaking such prospecting [illegible] should be a distinctly new body.

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(ii) When such syndicate assigns its rights to separate individual "developing companies" the Government should be allotted a stipulated number of fully paid shares in each such developing and working company equal to 10 per cent. of the total capital.

(iii) That the syndicate will be given permission to carry on prospecting and developing work only over four districts and not over the entire State.

(iv) That for the areas to be selected by the syndicate an ordinary rent at the rate of Rs.50 a square mile or portion there of will be payable to Government.

(v) With a view to ensuring that the syndicate carries on effective work the concessions will be, in the first instance, in force for a period of seven years only and it will also be stipulated that it will be open to the syndicate to relinquish the concessions or for Government to withdraw their offer within a period of three years from the date of the grant of the concessions. The syndicate will have to satisfy Government as to the work by employing suitable establishment during this period.

9. I am of opinion that it is necessary to stipulate the conditions of the concessions in some such definite manner as mentioned above to safeguard the interests of Government and provide against all possible losses to Government. The last condition is particularly necessary to ensure that the syndicate, when once it secures to itself the concessions, does not sit still only waiting for an opportunity to assign the concessions acquired to other firms on profitable terms.

10. I may add that these proposals are still of a tentative character and require to be further investigated and the precise terms of concessions will have to be settled after careful consideration.

I now only solicit His Highness' gracious permission to open further negotiations with Messrs. John Taylor & Sons on the above lines and to formulate a scheme under which, while ample facilities

facilities will be provided for private capitalists and enterprisers to explcit the gold areas in the State, the State will at the same time benefit to the utmost possible extent in the profits of the industry.

If His Highness approves of the recommendations made in this note, I shall proceed to take further action and submit the papers again for His Highness' orders after a definite scheme is settled

It is necessary, in view of the declining nature of our gold revenue, to give suitable openings for the discovery of other gold areas in the State and yet to secure for the State an interest in the development work by a scheme of participation in the proprietory interest of companies formed.

Bangalore,
13th January 1923.

13 JAN 1923

SBN.

49

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject:

Policy to be adopted for the development of the gold mining industry in the State.

715

Order.

~~KRW~~
28/2/23

Urgent. Early
a carefully worded
draft reply has
now been put up
to Messrs John Taylor.
Sons.

KRW
1.3

A. S
Clear draft when it is ready
we shall go through it & sign
A. 2.23

D.O. No. 4534 CS

49a

GENL. & REV. SECRETARIAT,

Bangalore, 7th March 1923.

GEN. & REV. SECRETARIAT
8-MAR 1923
INDUSTRIES & COMMERCE BRANCH.

Dear Mr. Aravamudu Iyengar,

The Dewan is meeting Mr. Bosworth Smith on Friday morning (9th instt.) at 9 o'clock. The file regarding the gold concessions has, it seems been sent to you for a draft for approval. The Dewan would like to have the file before he meets Mr. Bosworth Smith.

Yours sincerely,

G. Aravamudu Iyengar, Esq., B.A., B.L.,
General Secretary to Government.

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19

Serial No.

A draft letter to Messrs. John Taylor & Sons is put up for approval.

In this connection it is for consideration if it is not necessary and desirable to consult the Govt. of India before addressing the present communication to Messrs. John Taylor & Sons. The proposals now made involve a departure from the existing rules to a certain extent as they contemplate granting of concessions on a large scale. They also involve financial transactions with foreign capitalists and financial agents which the Government of India would desire to be negotiated in consultation with them.

On a careful examination of the previous papers I find that the Government of India once before took exception to this Government dealing directly with foreign capitalists and financial agents. This was when the Government opened certain negotiations in the matter of granting concessions for prospecting for gold to one Mr. Francis Hogarth.

In connection with the offer made to Mr. Hogarth the then Dewan Sir K. Seshadri Iyer said as follows in his letter to the Residency, No. 7 dated 14th December 1894:-

Flag R
M 27. Page 19.

"In conclusion, I beg to add that the proposed prospecting license cannot be regarded as a concession in the strict sense of the term. What is promised is the grant of mining leases, under the Rules of 5th September 1887, for an aggregate of ten square miles

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19 .

Serial No.

to various working companies to be hereafter formed. If the grant of such a lease to any person or Company cannot be regarded as a concession I submit the grant of the proposed prospecting license cannot also be so regarded. Under this view I am of opinion that the proposed prospectin license is not one which requires the previous consent of the Government of India under the orde relating to the grant of concessions by Native States to English financiers and capitalists. If you happen to differ from me upon this question, I beg that you will be so good as to obtain the sanction of the Government of India as quickly as possible."

In reply to the above the Resident in his letter No. 4421-378-94 dated 18th December 1894 replied as follows.-

Flag R. M. 28. Page 20

"There is moreover a departure from the existing rules for the grant of mining leases in some important respects, viz.,

(1) The licensee Company is bound to expend not less than £ 20,000 in prospecting and develo ing Kam operations.

(2) The licensee Company will on formation o a Mining Company, be re-paid prospecting expenses and

(3) The State will receive 50 per cent of price obtained for the mining leases.

The conditions seem to be perfectly reas and the first and third are highly advantag

NOTE—Contn. sheet.

Serial No.

to the State as compared with those now existing. But arrangements under the proposed license will involve important agreements with licensee companies and Companies that may take out mining leases under them; therefore the Resident thinks that under the stringent orders of Government conveyed to you in this office letter No. 413-67-91 dated the 7th Febry. 1891, it is not only desirable but necessary that the sanction of the Government of India should be obtaine to the grant of prospecting licenses on the scale now contemplated.

This letter is quoted in extenso at page 22 of this printed Collection Hag R.

The Resident is therefore, submitting the question to the Government of India with a strong recommendation in favour of the grant of the proposed form of license and trusts that there will be no delay in obtaining sanction".

Hag R. M 32 page 22

The Resident followed up this letter with another letter No. 842-378-94 dated 8th March 1895 in which he communicated the views of the Government of India which were as follows:-

"Finally, as to the contention that the proposed licenses do not involve financial transactions with capitalists of a kind which requires the sanction of the Government of India, I am to say that this is a misapprehension, that the orders conveyed in this -- office letter cited on the margin were undoubtedly intended to apply to such cases.

413-67-91, dated the 7th Febry. 1891.

Subsequently on further correspondence and explanation it transpired that the Government of India waived their objection to the grant of the proposed concessions to Mr. Hogarth. But in so doing the --

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19 .

Serial No.

Government of India entered a caveat in the following terms:-

"It is also considered desirable that clause 4 of the original terms should be so modified as to provide that the State shall receive the price of mining leases in cash. The Durbar must clearly understand, however, that the present case is in no sense to become a precedent, that it implies no relaxation of the principles laid down in the marginally cited letter, and that the Government of India have still to determine what general rules can be properly sanctioned in regard to prospecting for gold in Mysore

No. 842, dated 8th March 1895.

(Vide letter No. 3373 dated 18th September 1896 from the Residency to the Dewan.)

Flag R
M. 42. page 32

M 43. page 33

In the letter dated 18th September 1896 referred to above as also the Dewan's reply to it dated 19th (23rd) September 1896 allusion is made to the numerous verbal communications of the Officers of Government with Mr. Hogarth's ~~final~~ and his final acceptance by the Govt. of Mr. Hogarth's final proposals without reference to the Government of India.

In deference to the wishes of the Government of India this Government finally adopted the suggestions made to them that Mr. Hogarth should be offered certain revised concessions. The Residency were informed that the matter need not perhaps go up to the Government of India again as the grant of the concessions was in the main approved by them (vide para 8 of Geological Secy.'s letter No. C.10-1650 dated 25/26 January 1910, to the Residency.) But/this the Resident

Flag R.
M 102 page 104

NOTE—Contn. sheet.

G. R. Ś. III-21

General and Revenue Secretariat. | File No. of 19 .

Serial No.

flag R
M 804 page 131

replied (letter No. 905 dated 12th February 1900) that it appeared to him that the revised terms of the concession should be referred to the Government of India before they were accepted by the Durbar.

Later on however after prolonged correspondence the Govt. of India admitted the right of this Govt. to introduce changes in their own mining rules from time to time and granting licenses and leases under such rules. But they appeared to have always maintained that in the case of this Government should wish to grant to capitalists and financial agents mining concessions of special magnitude or importance which are not covered by the sanctioned rules the previous sanction of the Govt. of India would be required

flag no 5

Reference is invited to paras 3 and 5 of the Circular letter dated 6th October 1899 of the Government of India in which the necessity of obtaining their previous approval in the case of large concessions outside the existing rules is reiterated

In reply to a reference dated 18th December 1899 to the Residency on the subject of the above Circular letter of the Government of India the Resident again stated in letter No. 3257-378-94 dated 9th July 1900 that the approval of the Govt. of India would be required in the case of the grant of concessions of special magnitude and importance.

flag no 3.

This position was accepted by this Government as will be seen from para 15 of the Geological Secy's letter No. 609 dated 25th August 1908 to the Residency in which it is stated as follows:-

flag no 2

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19

Serial No.

"The Durbar have been informed that should they wish to grant to capitalists or financial agents mining concessions of special magnitude or importance the previous sanction of the Government of India must be obtained and while they have no desire to questi this decision it appears to be desirable that some definite understanding should be arrived at as to the meaning of the words mining concessions of special magnitude and importance and that the -- scope of such concessions of lesser magnitude and importance as the Durbar may dispose of without previous reference to the Government of India, should be, as far as possible, clearly defined."

Flag No 2

In para 19 of the same letter this Govt. desired that "the limits within which they may grant mining concessions and may at their discretion adopt and amend the rule for this purpose etc.", "might be defined.

To this the Residency replied in their letter No. 7159 dated 4th Novr., 1909 as follows.

Flag No 1

"As to the doubt entertained by the Durbar about the precise meaning of the words "mining concessions of special magnitude or importance, occurring in para 4 of this office letter No. 3257 dated 9th July 1900, I am to say that it will meet the views of the Government of India if their sanction is obtained before any lease is granted which is not in accordance with the rules now approved, or in which it is proposed to grant an area exceeding the limit of ten square miles

NOTE—Contn. sheet.

Serial No.

prescribed in paragraph 2 above."

The position is as explained above and it would appear that in spite of the considerable amount of freedom given to us to amend out rules, grants of concessions etc., the Government of India might still insist upon all negotiations with foreign capitalists and financial agents in the matter of mining concessions being carried on with their cognizance.

It may be held that the proposals now under consideration are still in the preliminary stages and that it would be enough if a reference is made to the Government of India if and when Messrs. John Taylor and Sons submits a fully conceived scheme and its terms are likely to be accepted by the Government. I have deemed it necessary however to draw attention to the previo position so that this important point may not be lost sight of latter on when the present negotiations assume a more definite and final shape.

One other point in connection with the present proposals would also appear to require some notice. The concessions now proposed to be offered to Messrs. John Taylor and Sons appear to be, except in some minor respects, substantially the same as those once before offered to Mr. Hogarth. The main idea is to obtain for the Governmat a proprietory interest in the gold mining industry which will enable Government to

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19 .

Serial No.

to participate in the profits of the industry. In the negotiations with Mr. Hogarth, the Government at the time had arranged that they should share in the considerations paid by the working Companies to the prospecting Companies and that such consideration should be paid to the State in cash. The proposal now is that the Government should be given fully paid up share to the extent of 10 percent of the capital of each working company. The Govt. of India have strongly objected to the receiving of consideration in this form as may be seen from paras 2 and 3 of the Residency letter dated 8th March 1895 reproduced below

Flag R
M 32
PP 21 & 22

"The Govt. of India are also of opinion that the scheme imposes no adequate check either on speculation or on formation worthless mining companies .. Under the draft license a Prospecting Company when it has completed its prospecting operations, is empowered to procure the formation of one or more mining Companies, but no guarantee is provided to prevent recourse to the unprincipled methods which have rendered company-promoting a by-word. It is further proposed that that Mysore State should share in the consideration paid by the Mining Companies to the Prospecting Companies, and such a course would be unobjectionable if the consideration were to be paid to the State in hard cash. This is not however the usual practice, nor, if insisted on would it be easy to raise capital for mining purposes. The consideration usually given in such cases is so many paid-up or partly paid-up shares in the company under formation; so that as a

Note

NOTE—Contn. sheet.

sole result the Durbar would become a large share-holder in the various mining companies some of which at least, if experience goes for anything, would simply have been formed for the purpose of parting it with the shares to the public at a profit.

The Govt. of India consider that the proposed grant of licenses to Prospecting Companies will not necessarily lead to any real prospecting work, but on the other hand, that there is danger that the Mysore Prospecting and Mining Companies may become a field for company-mongering. The existing system, under which mining leases are granted in Mysore in respect of land which has not been prospected, is no doubt open to objection, but the Durbar's present proposals do not seem likely to lead to any extension of bona fide mining operations. It is moreover unlikely that any Company will bind itself to spend £ 20,000 in real prospecting work since such operations ar of far too speculative a nature for any person to bind himself as to how far he will proceed with them. For these reasons the Govt. of India does not approve of the issue of the proposed prospecting licenses, and I am to suggest that revised proposals should be formulated and sent up for submission to the Government of India."

This aspect therefore would appear to require further consideration.

A further

Ten-1

G. R. S. III-21

General and Revenue Secretariat. | File No. of 19 .

Serial No.

Besides the State will be a minority proprietor better for the Auth. and dealing with Majority shareholders ii

A further point deserving some consideration seems to be whether the State as part proprietor of a working company will be in a position to exercise that amount of healthy control and check over the operations of the Company as it will be in a position to exercise if it were completely independent of all concerns, in the financial transactions of the Company.

for orders
MGJ
8. 3. 23

GL Secy)

The above note has been added at my instance as I wished to bring to notice these points of view

Lee
8. 3. 23

DEWAN'S OFFICE.
Recd. on MAR 8 1923
Reg. No. 5250

Dewan.

Munja Chief Secretary as a political question is involved.

MGJ 8/3

Kindly bring this & the Tab letter of the Chief Secretary with G.I. Complts

Lee
9. 3. 23 MGJ 9/3

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19

Serial No.

I have seen this for the first time now, as the reference seems to have been treated as a purely political one, till it concerned the department of Geology.

Thos.

In regard the political aspects of the matter, attention is requested to the note [illegible] of 1.11.22 put up under my instructions by Mr Ramanathan's inward file No 26 of 1922, and to P.P. file No 87/22. Nos 1 to 8 put up in that connection which contain (1) the existing policy of the Govt of India as regards the grant of mineral concessions in Indian States & (2) a summary of the points recommended by the Committee of Princes & adopted by the Govt of India. No (2) was acceptable, but the decision of the Govt of India has not yet been communicated.

In the present state it seems to be of no use unnecessary to communicate further the queries to the Govt of India (after negotiations with Johnstone &c, the offer made by the Watt Kolar Syndicate & also the renewal of their old prospecting licence under special term has to be borne in mind)

Ker
10/3/23

1st Member

I adhere to the view expressed in my

7418-210-
12-3-23.

NOTE—Contn. sheet.

1671

61

G. R. S. III-21

General and Revenue Secretariat. | File No. C 195 of 19

Serial No.

Minute of 6.4.22. I do not think there is any need to make a reference to the Residency at the present stage of the discussions.

Once again am I constrained to make the observation that I should have appreciated it if the file had been submitted to the Dewan with the minutes of the Secretaries.

Minutes sent direct to Dewan as the papers were wanted the next morning in connection with an appointment which the Dewan had with Mr. Bowring this evening

14.3.22

Secretaries may please

16/3

Dewan) 16/3/22

Minutes

The draft as copied may go
C/Z to the P. Secretary
who has called
for notes - keep the
papers ready

4
30/3

Draft and submit. Secretary
for information

31.3.22

NOTE—Contn. sheet.

4520 62

G. R. S. III-21

General and Revenue Secretariat. | Geol File No. 94 of 1922.

Serial No.	
2	To The Secretary & Treasurer Messrs John Taylor & Sons' Committee K.G.F. GC 5957 dt 31-3-23 Enquires whether the company will undertake the work of prospecting for gold on the terms offered. etc.
3.	To P. Bothwicke Smiles Esq K.G.F. GC 5958 dt 31-3-23. Forwards a copy of GC no 2. for information Retransmitted as directed.

ATS. 31-3-23 2-4

In pencil Mrs 3/4/23

Mr. 35. 2.4.23

By Member

Seen Peel 3.4-23

Mrs 4/4

NOTE—Contn. sheet.

G. R. S. III-21

4561

53

General and Revenue Secretariat.

Geol File No. 94 of 1922.

Serial No.	
3	From the Executive Member Messrs John Taylor & Sons' communication Letter dt 3-4-23. States that a copy of letter offering certain concessions for gold prospecting will be forwarded to Messrs John Taylor & Sons & their reply communicated in due course. Submitted Ans. 4-4-23. For perusal Mr 4/4 1st Member)
8084-III 5.4.23	Secy. Put 7.4.23. Sgd Mr 7/4

GEN. & REV. SECRETARIAT
13 APR 1923
INDUSTRIES & COMMERCE BRANCH.

/Mo

NOTE—Contn. sheet.

20618

64

REPLY.

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated 29th May *1923.*

The Dewan wants to see the file regarding the proposals for the development of gold mining in the State.

B.O.

P. Chandrasekara

Private Secretary to the Dewan.

The Revenue Secretary to Government with compliments.

29/5/23

The papers are put up for perusal

Mg

29.5.23

Dewan) Please remind.

29/5

30/5/23

Draft sent 30/5

G. R. S. III-21

General and Revenue Secretariat.

Govt File No. 94 of 1922.

Serial No.	
	Submitted with a draft reminder.
	Asst. 30-5-23
	Issue US 30.5.23
	7318 dy 30-5-23

Note—Contn. sheet

5561.
1923

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Vide Dewan's office No 7433.

Letter dt 24-5-1923 received from Messrs John Taylor & Sons, London was submitted to the First Member of Council ~~Pak~~ on 16-6-1923 under D no 5564 of 1923 Submitted in continuation. For reference.

Asst 19-6-23 19/6 / 87 Member 19/6/23

10423-5-23
21.6.23

Sir
Put
21.6.23 21/6/23

Sir
Put in continuation. The letter of Messrs John Taylor & Sons was submitted to the Dewan yesterday
Mor 22/6/23

Dewan
Seen 23/6/23
Mor 23/6

DEWAN'S OFFICE.
Rec'd on JUN 24 1923
Reg. No. 7481

with 2 plans 23/6

N.B.—Should routine notes be written on small slips past the notes must be copied, or slips past this form.

5564
5563

67

G. R. S. III-2]

General and Revenue Secretariat.

Genl File No. 94 of 1922.

Serial No.	
4	From Messrs. John Taylor & Sons, Cuddapah Lr. dt. 24-5-23. State that they will undertake the work of prospecting for gold on certain conditions proposed by them. Previous papers on the subject have been submitted to the Dewan vide D. no. 5501. dt. 9-6-23. Submitted in the draft acknowledging the receipt of the company's Lr. Asst. 12-6-23. Issued. VS 12.6.23
5	To Messrs. John Taylor & Sons. 7599 dt. 13-6-23. Acknowledges the receipt of dt. 4. Resubmitted. Asst. 13-6-23. VS Whereabouts mainly file? Why has it not been put up? Enq. 13/6
	(The file is not in the Dewan's office) The main file is now before the Dewan. A copy of Lr. dt. 31-3-23 addressed to Messrs. John Taylor & Sons' Cuddapah on the subject is submitted herewith. Asst. 14-6-23. VS

Submitted to Member-

NOTE—Contn. sheet.

H The main file is before the Dewan.

Messrs. John Taylor & Sons have not accepted the terms offered by Government as they state that

Serial No.

they are not attractive from an investor's point of view and that no prospecting syndicate will, in the present condition of the gold mining industr be able to raise the necessary capital of the "Developing Company" to be subsequently formed.

They have, however, put forward a counter proposal which is summarised below:-

1. The prospecting syndicate to be formed to be permitted to prospect over only the Kolar District to begin with;

2. That Govt. should receive 10% of the nominal capital of such a prospecting syndicate (as against the "developing company" asked for by Government);

3. In return for the above [illegible] royalty on the gold output should be waived until a "developing Company" or "companies" are formed and these begin to pay dividends when a royalty of 7½% may be levied on such dividends.

If the above offer is to be accepted it would mean that in case the preliminary work prove successful and "developing companies" are formed as a result thereof, the Government would benefit to the extent of the shares owned by them in the Prospecting Syndicate (viz 10%) when the interests of the Syndicate are assigned to the developing companies. But as the work of the prospecting syndicate is only speculative in character, the 10% interest proposed for Government does not appear to be anything substantial, while they will have no interest at all in the developing companies, a state of affairs which is identical to the position of Government in respect of the present mining companies.

NOTE—Contn. sheet.

5564

G. R. S. III-2]

General and Revenue Secretariat.

Geol File No. 94 of 1922

Serial No.

May stand for application. -
The Co. request has instead of first claiming royalty 5% on the price value of the output of any particular year during the existing rate of royalty 7½% on declared dividends shall be claimed - This would be a departure from the present rate of 12-5-1920
MR 12/7.

[Further if Government have to waive their royalty till developing companies are formed and they begin to declare dividends it might be that Government could have to wait for an indefinite period of time unless the company agrees to the condition that the concession to the Syndicate will be in force for only 7 years. This however has not been made specific in the counter proposal.]

MR 15.6.23

1st Member & Dewan

10349-5000
19.6.23

To May invite the counter proposals put forward by the Raylands is not sufficiently attractive from the first point of view. As matters stand it is an impasse. It seems to me that the present is not an opportune moment for dealing with such questions. When the European situation has improved. Exchange is more stable & the money market easier. The Raylands themselves may come up with proposals & then we shall be in a better position to negotiate more advantageous terms.

Rec 20.6.23 MR 21/6

May we send back the main file. The Raylands counter proposal to us. 5.7 MR 5/7/23

DEWAN'S OFFICE
Regd. on JUN 21 1923
Reg. No. 7433

NOTE—Contn. sheet.

1334

10

G R S. III-2]

General and Revenue Secretariat.

Geol File No. 94 of 1922

Serial No.

[These notes should be brought on to the main file & the whole file submitted to the Hon'ble.

M.R.
3.7.23]

For framing a note as desired in the Dewan's minute of 3.7.23 on leaf

M.R.
3.7.23

H.P.O. 31/23

Hon'ble)

I think it is necessary to encourage the work of prospecting for gold and it is, therefore, desirable to pursue these negotiations. The conditions of the arrangement may be altered to make them acceptable to those who are likely to undertake the work. Messrs John Taylor & Sons do not agree to the condition of giving us, as consideration for allowing them to prospect, 10 per cent. of the value of paid-up shares of the mining company or companies which may take over the business from the prospecting agency. The prospecting company would make over its interest to the Developing Company for a consideration and we may ask for a share of such consideration. If the former company makes

TE—Contn. sheet.

a

G. R. S. III-2]

General and Revenue Secretariat. | Geol. File No. 94 of 19 22

Serial No.

a profit, that is if it gets any excess over the outlay incurred by it, we may ask for one half of such profit being given to us. As the claim is only to ~~the~~ a share of profits, the proposal is, I think, fair to both parties. In the event of results of prospecting being satisfactory, the price for which the interest is parted with should, of course, be reasonable. If the same agency becomes the Developing Company under another name, it should not be open to ~~it~~ it to purchase the interest of the prospecting agency for a nominal price and thus deprive us of a reasonable share of the gain on the transaction.

The arrangement proposed above makes the relations of ~~the~~ Government with the Prospecting Agency independent of ~~that~~ that with any mining company that may be formed. According to it, however, there will be no scope for Government to have any proprietory interest in any gold mining industry that may be built up as the result of the prospecting operations. I think the object of the proprietory interest is to increase our share of income from the gold produced and this object may be achieved directly instead of indirectly through the possession of shares. The value of shares is liable to fluctuate and occasions may arise when they may have to be disposed of to realise the best value for them. In such cases, it would not be possible to

NOTE—Contn. sheet.

maintain

Serial No.

maintain any proprietory interest in the industry. If the condition relating to the payment of royalty gives us a reasonable share of the value of gold produced, I do not think it is necessary to provide for any proprietory interest in the form of a holding in shares.

Messrs John Taylor & Sons propose that we "should waive any royalty on the value of the out-put of gold and accept in its place a royalty of 7½ per cent. on the dividends as and when paid by the ultimate Development Company or Companies." Strictly construed, this proposal means that the 7½ per cent. on the dividends, as and when paid, takes the place of the 5 per cent. on the value of gold produced payable under the present leases. Adding 2½ per cent on dividends which is now received in addition to 5 per cent. on out-put, the total would be 10 per cent. on the dividends declared. I do not know if this what Messrs John Taylor & Sons mean. Even if this is what is meant by them, I do not think this proposal is acceptable. Dividends are liable to far more fluctuations than out-put and an increased share based upon dividends cannot be an adequate compensation for royalty calculated upon out-put. In the case of gold mining companies, which can keep their ore reserves more or less constant, the annual out-put

Serial No.

out-put is generally a stable factor and the bulk of the revenue payable to the proprietor of the mines is best based upon out-put and not upon the highly fluctuating element of dividends. I am not, therefore, in favour of surrendering the share of royalty calculated on out-put.

As regards royalty payable on dividends, I have two points to urge: (1) I consider that it is unreasonable to base this calculation on dividends at all. I have argued this point at great length in a note which I sent in the year 1918 from the Comptroller's Office for the consideration of Government. As I have explained in that note, what was really intended was a share not of dividends but of profits. This intention was somehow varied when the terms of the leases came to be drawn up. I would, therefore, suggest that the royalty payable in addition to that based upon out-put should be calculated with reference to profits as assessed for income-tax purposes and not on dividends as and when declared as in the present leases. (2) I would propose that the share of profits to be given to us as additional royalty may be increased from 2½ to 5 per cent.

The object of the above proposal is to improve the income from royalty by increasing the rate from 2½ to 5 per cent. and also by having it calculated

NOTE—Contn. sheet.

calculated on the larger amounts represented by profits than upon dividends.

I am not sure if it is necessary to decide as part of the conditions of permitting prospecting work the rates of royalty payable on gold produced by a Developing Company that may be formed later on. If it is possible I think it is desirable to leave this matter open and to have the freedom necessary for regulating the conditions in regard to payment of royalty when the results of prospecting prove satisfactory and lead to the actual formation of mining companies.

Rev Sett Dte)

11-7-23

P.S. Mr. Ramachandra Rau has since brought to my notice that the terms of mining leases have been revised and the rules now in force are those sanctioned in 1920. I was not aware of these rules when I wrote the above note. The new rules have removed some of the defects pointed out by me as existing in the leases according to which the present companies are working. Messrs. John Taylor & Sons propose a departure from the terms of the new ~~lease~~ rules and they are not willing to pay any royalty based on output. As I have stated in my note I do not consider it advisable to permit any departure in this respect which safeguarded in both the old and new lease conditions.

NOTE—Contn. sheet

G. R. S. III-2]

General and Revenue Secretariat.

Cer.—File No. 9 16 of 1922

Serial No.

338.
12.7.23.

Subs arising out of Dewan's minute dt 3.7.1923

2nd Member & Dewan

Mcz 12.7.23

Jm 10/7 Tel 14/7/23 MMcz 14/7

Receipt be acknowledged

Jm 15.7 Tel 18/7/23 MMcz 16/7

(Chief Secy)

CS 16/7/23 The asst Secy will please put up a draft letter to Messrs John Taylor & Sons on receiving instructions from Colombo

Jm 15/9/23

A draft letter is put up for appl and thereafter as per secy instructions MM 19.9.23 2nd Member

Draft letter to Messrs John Taylor & Sons in accordance with the Council resolution is put up with the answer if approved by the Dewan.

Jm 15/9

Mayscha 14.9 Jm 20/9

Dewan

DEWAN'S OFFICE
Recd. on SEP 20 1923
Reg. No. 1857

NOTE—Contn. sheet.

75a

(For Disposal at a Meeting)

No. C. 35

1923-24

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule)

Negotiations with Messrs. John Taylor and Sons regarding prospecting work for gold in the State.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

16th July 1923.

Extraordinary Member of Council.

569 20/7/23

First Member of Council. 24/7

439. 17.7.23.

Second Member of Council. 18/7/23

Third Member of Council.

75

Subject. -

Negotiations with Messrs. John Taylor and Sons regarding prospecting work for gold in the State.

....

OPINION OF THE COUNCIL.

To the proper department
met. Directed to be
prepared.

C 35

Extract from the Proceedings of the 662nd *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 6th September 1923. *19* .

---

57. Subject. - Clause xii of the schedule.

Negotiations with Messrs. John Taylor and Sons, regarding prospecting work for gold in the State.

OPINION OF THE COUNCIL.

No question of reducing the rates of royalty on output and percentage of profits can be entertained.

Note:-

It is desirable to have a further discussion with the representative of John Taylor & Sons with a view to obtain a clearer idea of what interest the Government will have in the ultimate Mining Companies.

....

(Signed) A. R. BANERJI,
Dewan of Mysore.

"EXTRACT"

Chief Secretary to Government.

WD 433—GPB—1,000—1-9-20

G. R. S. III-2,

General and Revenue Secretariat. | File No. | of 19

Serial No.

60
25-9-23.

2nd Member

MM
25.9.23

25/9 MM 26/9

MM 26/9

7. To

Messrs John Taylor & Sons
M.M.C 1597 & 2619 Ds.

With reference to the State Govt. cannot accept this proposal to waive royalty on the value of gold output and that they would be glad to meet and discuss with their representatives the matter of securing the financial terminal capital of any syndicate formed for prospecting purposes.

Ex A. 8. From Messrs John Taylor & Sons, London
Letter dt 18-10-23.
Stated that Mr. Henry C. Taylor will visit the K.G.F. during the cold weather & will seek an interview with the Govt to discuss the question

GEN. & REV. SECRETARIAT
1-OCT 1923
INDUSTRIES & COMMERCE
BRANCH.

Submitted
MM
5-11-23.

2nd Member

MM
5/11/23

NOTE—Contn. sheet.

163
6.11.23.

G. R. S. III-2

General and Revenue Secretariat.

(New) File No. 2 . of 192 .

Serial No.

REVENUE OFFICE
Regd. 28 NOV 23 1923
Regd. No. 2967

note & file

This may be submitted for the Diwan's perusal.

The letter from the Director of Geology forwarding Mr Bodworth's note to Govt may also be considered along with this case

28/11

Mgr 28/11/23

Diwan

Seen

26.11

SMR 29/11

Hy A
GEN. & REV. SECRETARIAT
29 NOV 1923
INDUSTRIES & COMMERCE BRANCH.

The papers in the file are Govt. Orders & should be arranged in proper order & printed or typed & bound together. Separate index also to be made.

It appears a statement was put up some time ago showing the Companies rates of royalty levied & differences occurring in the world. Please put up with that.

Also put up the Govt. order relating to the fixing of the present rates of royalty - with the Tamil Govt.

SMR 29/11

attended to.

NOTE—Contn. sheet.

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Note

Please put up at once to-day the papers ~~regarding~~ relating to the Gold ~~Exploitation~~ Syndicate.

By order,
Asst. Secy.

Asst. Secy,
Two r Com — Please put up
SMD
26/12

SMD Papers required put up
26/12/23
SMD
26/12
16
25/12

Secy
Secy

N. B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G. R. S. III-2.

General and Revenue Secretariat.

File No. of 19--.

Serial No.

E, T

The Statement showing the rates of royalty levied by different countries is furnished and also a Statement showing the rates now in force as compared with the rates payable by the Kolar Mines.

A draft requesting the Director of Geology to forward the papers relating to the fixing the present rates of royalty with Messrs John Taylor & Sons is put up.

AHS
31-12-23.

Issue Dft
SNR
31/12

10. To The Director of Geology
4030 dy 2-1-24.

Requests that the papers relating to the fixing of the present rates of royalty with Messrs John Taylor & Sons may be forwarded.

The notes of discussion with Mr. Henry Taylor etc is put up. May the receipt of the papers referred to above from the Director of Geology be awaited?

AHS
2-1-24.

Yes
SNR
2/1

11 From the same office
1063 dy 5-1-24.
Forwards the papers called for

INDUSTRIES & COMMERCE BRANCH.

Submitted
AHS
9-1-24.

Regd file sd in f/n put up
SNR
11/1

Rev Secy)

Returned from the
dy 23-1-24

NOTE—Contn. sheet.

G. R. S. III-2)

General an Revenue Secretariat. | Geol File No. 94 of 1922.

Serial No.	
	Notes of the Deputy Director's Conversation with Mr. Henry Taylor, as flagged —
A	
	2. Printed Collections, on relating to the Renewal of Mining Leases & the
S	other is the Rate & Mode of Levying
Z	Royalty on the production of mines in Mysore. Flags — S, Z
X. Y	The files relating to the renewal of the Kolar leases, which obtained from the Dept. of Geology's Office as pointed below —
E	For a Comparative statement showing
Page 30 Col. item	the Royalty levied in different Countries, please see Flag — E
	For a statement showing the Royalty levied on the Kolar mines alongside
LL	the rates leviable under Existing rules, please see Flag — LL

AC
31/1

Dinner) I don't think the
We are full.
And no one talks shop

4

The notes are as taken down by me. No stenotypist was present 4/1

Dinner) Office (contd) 5/2 noon

NOTE—Contn. sheet.

Extracts of Speeches
Consd. by C.M.G.

G. R. S. III-2.

General and Revenue Secretariat.

Genl File No. 94 of 1922.

Serial No.

Submitted with a D.S.N.

A.H.S. 2.2.24

Rev Secy

SM 3/2

Dewan

Yr.

Keep the enclosed above Genl papers.

As the Hon. to fair copy of the D.S.N. pending

SM 5/2

Submitted with a typed copy of the D.S.N.

A.H.S. 5-2-24.

SM 5/2

Rev Secy

Fair copy of the Dewan's speech as fair draft is sent to press

SM 6

P.S.D. well Compiled

Yr.

NOTE—Contn. sheet.

8[illegible]4

Notes of Dewan's Interview with Mr.Henry Taylor of Messrs.John Tailor and Sons., Managing Agents of the Gold Mining Companies, working in the Kolar Gold Fields. 28th December 1923.

Confidential

The following gentlemen were also present:-

1. Mr.K.R.Srinivasiengar, M.A., 2nd Member of Council.
2. " R.Nye, Executive Member of Messrs. John Taylor & Sons' Committee Ooragaum.
3. " K.V.Anantaraman, B.A., Revenue Secretary to Govt.
4. Mr.Henry Taylor's cousin was also present.

Development of Gold Exploitation in the Mysore State.

The first subject discussed was the proposal made by Mr.Boswell Renwick Smith for developing Gold Exploitation in the State. The Dewan referred to the communication that has been received from Messrs.John Taylor and Sons., on the subject and expressed a doubt as to the real nature of the offer made by the firm. Mr.Taylor explained that under the existing conditions of the money market at Home it was impossible to interest capitalists in any scheme of gold exploitation if the Government wanted to reserve for themselves a specified share in the Gold Mining Coys., that might be formed. The proposal made by the firm was that a prospecting company should be formed in which the Government would be given a

he purpose of this statemen
reference of the Officer su
...and altered from

one-tenth interest in the form of fully paid up shares. If the exploration for gold proved satisfactory and gold deposits were located this prospecting company would make over the find to a mining company for a consideration. The value of the consideration would depend upon the nature of the prospect. The consideration would ordinarily be partly in cash and partly in shares in the new company or Companies. In the consideration thus secured by the prospecting company Government as a tenth-holder in the prospecting company would necessarily have a share. The consideration received by the prospecting company may either be distributed if it was decided not to continue the prospecting company, or if the prospecting company was to continue that company would hold the consideration paid by the mining company or Companies. Thus it was obvious that a share was assured to Government in the profits secured by the prospecting company. Mr.Taylor explained that there was no precedent for the owner of the land continuing his interest in successive companies that may be formed. If any other practice was adopted it would mean that any company which purchases the prospect from the prospecting company would have to pay two purchase prices.

The Dewan observed that there was some misapprehension in the matter which

had been cleared up by Mr.Taylor's explanation. In regard to the Dewan's query whether it was not likely that the prospecting company might make over the prospect to the mining company for a nominal consideration, Mr.Taylor explained that there was absolutely no fear on this account, for one thing the Government as a tenth-holder in the prospecting company would have a powerful voice in all transactions entered into by that company. Again the self-interest of the several people who would form the company would secure that they stood out for the best prices that they could possibly get. Unless they did that they were likely to sustain losses.

Mr.Taylor suggested that in regard to the mining that may be done as a result of this exploration the royalty should be 7½ per cent of the net profits and that the existing rules relating to the Kolar Gold Fields Mining Companies under which 5 per cent is levied on gross output and 2½ per cent on divisible profits should not be applied The Dewan explained that it was difficult to consider the suggestion which would necessitate the modification of the entire policy of Government in this respect. Further the grant of such concessions might prejudice the existing arrangements relating to the Mining

87

Companies in the Kolar Gold Fields when their ~~lists~~ leases came up for renewal. Mr. Taylor observed that the rates of royalty levied in Mysore compared very unfavourably with the rates in other countries and that unless more attractive terms were given it would be difficult to divert capital to Mysore. The Dewan promised to look into the matter and examine the question again with reference to the correspondence relating to the fixing of the present rates prevailing in the Kolar Gold Fields.

2. ~~Exxxxxxxxxxxxxxxxxxxxxxx~~ Incometax assessment made against John Taylor & Sons.

The second subject that was discussed was about the liability of Messrs. John Taylor and Sons, to incometax on their fees as Managing Agents. Mr. Taylor explained that Messrs. John Taylor Sons., were an English ~~Firm~~ Company had undertaken the Managing Agency in London of the several Gold Mining Coys. which are incorporated in London, and that Messrs. John Taylor and Sons had no representative or interest in the work done in Mysore. The Dewan observed that the matter was being referred to the Chief Court by the Commissioner of Income Tax and that as such there was no necessity for any Government action at present

PC 2/1

Submitted to His Highness.

Pages 1-3 & 48 of notes

L

M

1) In accordance with the orders of His Highness on the recommendation made in submission note dated 13th January 1923 in regard to the policy to be adopted for the development of the gold mining industry in the State, a communication was addressed to Messrs. John Taylor & Sons on 31st March 1923. They have replied that the terms offered are not attractive from an investors' point of view and sent counter proposals which may be briefly summarised as follows: --

(1) The prospecting syndicate to be formed may be permitted to prospect over only the Kolar District to begin with.

(2) The Government should receive 10% of the nominal capital of such a prospecting syndicate instead of the "Developing Company" proposed by Government.

(3) Government should waive royalty on the gold output and accept instead royalty at 7½ per cent on the dividends as and when paid by the ultimate developing company or companies.

2. The 10% interest proposed for Government in the Prospecting Syndicate does not seem to be anything substantial as the work of the Prospecting Syndicate can only be of a speculative character, while Government will have no interest at all in the developing companies.

3. The Company request that instead of Government claiming as royalty 5% on the gross value of sales of gold in any particular year according to existing rules only a royalty of 7½ per cent on declared dividends should be claimed. This would be a departure of a material character from the rules in force.

4. The question was considered in Council held on the 6th September 1923 and a communication was sent to the Company stating that it was desirable to have a further discussion with

89

a representative of the Company with a view to obtain a clearer idea of what interest the Government would have in the ultimate mining companies.

5. Accordingly, Mr. Henry Taylor of Messrs John Taylor & Sons met me and the Second Member of Council on 28th December 1923. The notes of discussion with him on the subject are herewith submitted for His Highness' information. Mr. Henry Taylor is of opinion that the rates of royalty levied in Mysore compare very unfavourably with those levied in other countries and that unless more attractive terms are given, it would be difficult to divert capital to Mysore.

A

6. The question will be further considered and submitted for His Highness' orders.

7.2.24.

90.

(For Disposal at an early Meeting)

No. C. 35 of
1923 1924

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the Schedule)

7/ Negotiations with Messrs. John Taylor & Sons regarding prospecting work for gold in the State.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

6th March 1924

Chief Secretary to Government

Extraordinary Member of Council.

7778/13

First Member of Council. 5/3

Second Member of Council. 7/3/24

Third Member of Council.

91

CONFIDENTIAL.

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

8) *Correspondence and discussions with Messrs. John Taylor & Sons on the subject of development of gold mining industry in the State.*

547
7-2-24

643

Order.

9) ~~KRW~~
16/2/24

10) Enquire the Complete
about Early meeting etc

4

11) Note recirculated for 5.3
consideration
Comptr
5/3

92

~~12.~~ 14

Subject-

17) Negotiations with Messrs. John Taylor & Sons regarding prospecting work for gold in the State.

...

OPINION OF THE COUNCIL.

13) Tobe brought up on 2/3

14) To be brought up on 17/7/24

C35 93

Subject. - 14

Not Considered on 15.12.24
23.12.24

15) Negotiations with Messrs. John Taylor & Sons, re. prospecting work for gold in the State.

....

OPINION OF THE COUNCIL.

note

16) Letter may be to Mr Taylor & Sons asking whether they have any proposals to make with regard to the discussions with the Union.

ker
8/1/25

As 1st Draft 17) Revenue Secretary with Compliments

ker
9/1/25

18)

SWTZ
10/1

2667 of 23-24 1482 94

Revt File No. 94 of 1922

Serial No. 15

Draft sent ack.
12.1.25
20) Approved
WR 15/

21) Issue
15.1.25

14 To

Messrs John Taylor & Sons.

W.T. 4690 of 16.1.25.

With Reference to the discussion which Agent had with Mr Dewan, Requests them to state whether they have any definite proposals to make in the matter.

Urgent
22) Reminder WR 17/

15 From Messrs John Taylor & Sons

Letter dated 12.2.25

State that Mr Taylor was informed by Govt that the subject was further consideration that a communication would be made to them in London so soon as Govt was ready to enter into details in the matter & that they are prepared to reopen negotiations on hearing again from Govt.

23) for orders
12/3/25

For orders
WR 13/3/25

NOTE—Contn. Sheet

GEN. REGY. SECRETARY'S
17 JAN 1925
INDUSTRIES & COMMERCE
BRANCH.

G.R.S. III 21

General and Revenue Secretariat

Govt File No. 94 of 19 22

Serial No.

General and Revenue Secretariat.

Secret File No. 94 of 19 24

Serial No

Repn:- Devanis Annuls 26/4/25 in page 95.

28) Instructions are solicited as to when the file is to be sent.

ow 4/7/25 29) Subd & orders - (I M)

171/87

DEVANIS OFFICE, RECD. ON 9. JUL. 1925 Reg. No. 269

Devanis) 8/7 9/7

30) Annuls a Comm reqn Govt-Genl the Nizam saying that petitioner upon unable to entertain Indians appeal from Exclusive Cts to regd- & regds the Cts not within G.I. or Devanis Courts - the final appeals upon them may now be Communicated

31) Sec perusal 10.7. 13/7 Sec reply

32) 13/7 Draft

95/13

NOTE—Contn. Sheet

4482

General and Revenue Secretariat.

Ked File No. 94 of 19 22

Serial No

Conf —

33) Subd. with draft (Repeat Devanagari minute. P96)
20/7 12/7/23 Dft for appl a other crore —
Rev Sr 7 20/7

34) This is an important file — in which the Govt of the Punjab put up the draft — The draft that is put up is quite unsatisfactory. Govt of India will see me and the in the evening

Took the Secy's instructions 25/7

35)

36) Dft for appl — 22/7 22/7

Rev Sr 27/7

37) Prep

Sent the Secy with the draft 29/7

38) Revised dft for appl for other crore — 31/7
Rev Sr 7 5/8

NOTE—Contn. Sheet

4482 98

REPLY

(*To be written on this margin.*)

Memorandum

Office of the Dewan of Mysore.

NOTE.

Dated 5th August 1925

39) I should be glad to know whether any notes of discussion with Mr. Ralph Nye of the Mining Board have been recorded in any of the files. Any questions outstanding with the Mines may be put up and the files connected therewith may be submitted for perusal.

W

To:

The ~~Chief~~ Rev. Secretary to Govt. with compliments.

Rept / A

40) Please see

GEN. & RCT. SECRETARIAT
6 - AUG 1925
INDUSTRIES & COMMERCE
BRANCH

Rec'd 6-5 P.m.
VS
.6.8.25

41) Subd - Please see Flag W. That is the only record available in the Branch. Kind attention is also invited to memo minute dy 23/3/25 - (P. 95 Para 25. the notes) & bound (Vol. 2)

7.8.25

Dewan)

Secy

42) Fair draft

Subd 5 P.M. 9.8.

43) Subd for formal -

Fair draft for appt -

30/20.8

Final M/44)

10/8

10/8

General and Revenue Secretariat.

Gen'l File No. 94 of 1922

(9)

Serial No

45) The draft may be submitted for Government's approval before issue.

14/8

Dewey

46) Mayor's file

Under Secretary Taylor's

Hon. Sir Henry

Sir C.

13.8

119

18/8

46

1

Messrs. John Taylor and Sons

No. T. 223 of 18-8-1922.

With reference to para (15) stating that as regards the rate of royalty, Govt. Regret they are unable to agree to any modification of the Rules now in force for the calculation of royalty recoverable on gold & request to communicate their proposals in regard to the exploitation of gold in the State on the understanding that there will be no change in the rate of royalty now in force.

2.20

SECRET. REV. DEPT.
12 AUG 1922
RECEIVED
MADRAS

NOTE—Contn. Sheet

1687

General and Revenue Secretariat.

Ecl File No. 96 of 1922 (100

Serial No.

17 From messrs: John Taylor & Sons Letter of 3.9.25 state that Mr. Arthur E. Taylor is proceeding to K.G.F. in October 1925 & will then go further into the matter.

Secy's note

47) Refered:
(sd) B.S.
25.9.25.

48) File obtained from Head Quarters & Subd for perusal.

49) Subd for perusal.
29.9.25
Rw 6n7
WP 29/9

50) Mr. Rumbold
L 29/9

760/30.9

51) Seen

52) This may be submitted for Dewani perusal.
L 30/9

Dewan)

53) Seen
1/3 10
WP 1/10

L
WP 1/10.

GEN. DEPT. SECRETARIAT
14 OCT 1925
INDUSTRIES & COMMERCE BRANCH.

DIWAN'S OFFICE,
Recd 12 OCT. 1925
Reg. No. 2713

Subd

54) Kind attention is invited to para 2 of letter of 3.9.25 from

p.u.d

NOTE—Contn. Sheet

Serial No

Messrs: John Taylor & Sons.

53) Ref. Arthur E. Taylor ... according to his letter ... expected in October last, ... he does not seem to have turned up.

56) For orders.

MP 6/11/25

57) At any rate, we have not heard from Messrs John Taylor & Sons again about it.

R/Sect)

1st. Member)

MP 6/11

1922
9.11

58) This may be submitted again if the Ends & Days mean, if an answer from Messrs J. & T. & Sons is given

MP 7/11/25

Govt Bldg 30/12/25

GEN. & REV. SECRETARIAT
31 OCT 1925
INDUSTRIES & COMMERCE BRANCH

59) Messrs: John Taylor & Sons have not made any reference on the subject.

60) For orders with reference to para 58 above.

MP 4/1/26

MP 4/1/26.

61) Put up

63
4/1

62) This may be submitted to Dewan for orders

Dewan's Office
Rec'd 7 JAN. 1926
Reg. No. 50444

MP 7/1

J.C.M.

NOTE—Contn. Sheet

Serial No

63) Mr. & Taylor to
4 Nov write fwd
My Secretary to
move in the matter
of recovery
64) Submitted. 8.1.26

216/9.1 (I M)

65) Seen

11/1

66) No reference on the subject is received.

67) May the file be closed & recorded

68) Orders.

20/10/1/26 (Rdr)

1st reminder

405/13.2

69) This may be kept in
Suspe. Submitted
a note my letter if we
have not from Mr. Taylor
& then

(7)

18/2

18 FEB 1926
GEN. & REVENUE SECRETARIAT
INDUSTRIES & COMMERCE

Note—Contn. Sheet

1687

WD 1264—GPB—40,000—17-12-25 /03
[App. F. III—2

General and Revenue Secretariat

Ecst File No. 94 of 1922

Serial No.

70) Refee :— Para 69 of Rules.
No refee: has been paid from Messrs: J. Taylor & Sons.

20/3/26 RSec'y

17/3/26.

1st member

17/3

553/18.3

Thro' my Secretary for Dewan's orders

18/3.

Dewan)

19/3

Mr A Taylor desired I should take this file by while he was here so we could talk any points over in the matter for the proposal

719/26.3

1st December

The papers may be put up for Mr. Taylor's consideration

Dewan 20/3

22/3

27/3

GEN. & REV. SECRETARIAT
27 MAR 1926
INDUSTRIES & COMMERCE BRANCH.

NOTE—Contn. Sheet

18836

M. G. D. 12.

(1) Geol 31-22-1

No. 504 Enc. two. Dated, Bangalore, 2nd October 1922

HG. 1604.

From

B. JAGANNATHA RAM, ESQUIRE, F.G.S.,
Director, Mysore Geological Department.

GEN. & REV. SECTT.
3-OCT 1922
INDUSTRIES & COMMERCE BRANCH.

GEN. & REV. SECTT.
3 OCT 1922

To

B. Venkoba Rao, Esquire, B.A.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
General Department.

Sir,

I have the honour to submit herewith for the orders of Government a copy of an application, dated 1st September 1922, from the Gold Fields of Mysore and General Exploration Ltd., Kolar Gold Field, for a prospecting license for gold over a block of about four square miles of land in the Bowringpet Taluk to the north of the present Kolar Field comprising blocks known as Doddurkarpanhalli, Maddamuthanhalli and Badamakanhalli shown in the accompanying copy of sketch plan submitted along with the application. The area applied for was held under mining leases in the past and it is stated that already a large sum of money up to Rs.45,000/- has been spent on prospecting in this area. Mr. William Pritchard, the Superintendent of the applicant Company, has been long connected with the mining of the Kolar Gold Field and possesses a considerable amount of knowledge on mining matters and as the area is deserving of further prospecting and proving which cannot be done better by other agencies and in later times than during the present activities of the Kolar Gold Field Companies, I consider it highly desirable that the present opportunity should not be missed. Although gold is a reserved mineral, it

is

is, under Government Order No. J.24557-62 Geol.47-18-11, dated 28th April 1920, open to Government to grant licenses and leases therefor at their discretion to approved applicants with a view to develop local industries. In view of the above circumstances I beg to strongly recommend the application for the favourable consideration of Government.

2. The applicant Company has duly submitted an application for a certificate of approval under the rules and this I have already submitted to Government with my recommendation (Vide letter No. 4/2 dated 9th Sept. 1922).

I have the honour to be,
Sir,
Your most obedient servant,

B. Fayaz Ali
Director,
Mysore Geological Department.

C.R.

3

FORM No. 3.

APPLICATION FOR A PROSPECTING LICENSE.

Dated the 1st *day of* September 1922

To

THE DIRECTOR, DEPARTMENT OF GEOLOGY,
BANGALORE.

SIR,

I have the honor to request that a prospecting license under the rules contained in Notification No. G. 25838—Geol. 57-18-20, dated 12th May 1920 may be granted to The Gold Fields of Mysore and General Exploration Ltd. over the area containing four (4) square miles marked on the accompanying plan from the Topographical Survey Map of Mysore.
~~Village maps of the Revenue Survey.~~

The area over which prospecting rights are applied for comprises land belonging to the villages, the names of which with the taluk and district to which each belongs are set out in Schedule A hereto,

The minerals in respect of which prospecting rights are applied for are stated in Schedule B hereto.

I enclose receipt from the Bowringpet Treasury for Rs. 40/- being the fee payable in respect of this application at the rate of Rs. 25 per square mile or portion thereof and Rs. 5 for each additional square mile or portion of a square of the area applied for.

I have the honor to be
Sir,
Your obedient servant,

Name and address of applicant The Gold Fields of Mysore & General Exploration Ltd
(Write legibly.)

Sd/ William
for Gold Fields
General Exp

SCHEDULE A.

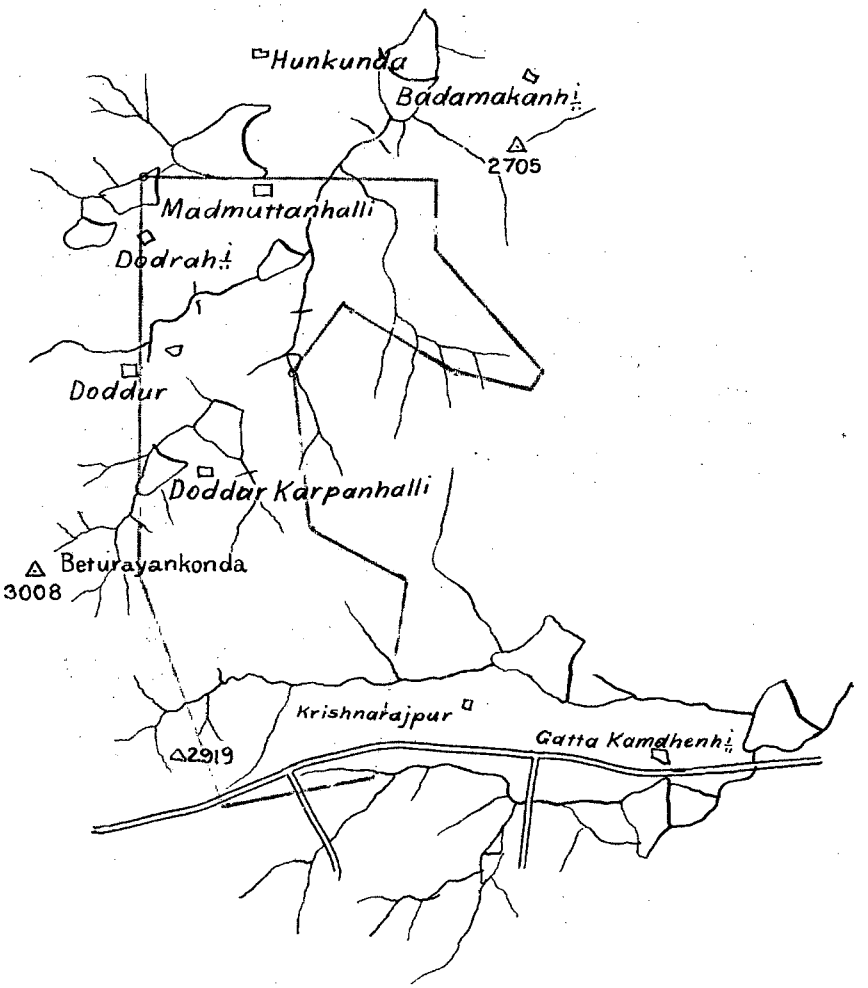
Village.	Taluk	District.
Doddur (Part)	Bowringpet	Kolar
Doddur Karpanahalli		
Madumallur halli		
Badamakanhalli		

State after the name of village, if whole or part only.

E B.

Topo Sheet Nos. 171 & 172.

Scale 1 inch = 1 mile.



For Director
Mysore Geological Dept.

27.9.22

No. J.C. 5957 Gul 94-22-2

To Register & Submit. D. 31/3/23

C. B. Bennet, Esq.,
Secretary & Treasurer,
Messrs. John Taylor & Sons' Committee
Oorgaum, K.G.F.

S i r,

I am directed to invite a reference to the correspondence resting with your letter dated 6th July 1921 forwarding a copy of letter dated 16 June 1921 addressed to you by Messrs John Taylor & Sons, London, stating that the offer made to the Company to take up prospecting work for gold in the State on the terms known as the "Hogarth Concessions" might be allowed to lie over as the prospect offered was not sufficiently strong under the prevailing conditions to induce investors to take prospecting in the Mysore State.

2. Since then Mr. P. Bosworth Smith interviewed the Dewan in Novr. 1922 and again in Jany. 1923. At the first interview Mr. Bosworth Smith put forward certain proposals according to which he considered that the gold mining interests of the State might be benefitted. These proposals which Mr. Bosworth Smith has termed " A concession for selecting gold areas ' are, as stated by him, as follows:-

(i) That the Government of M.

and Messrs. John Taylor & Sons of 6 Queen Street Place, London E.C.4 ("the firm") consider a scheme for prospecting, testing, developing & mining the gold lands of the State on such lines that the "Govt." agree to hold all their interests in gold lands at the disposal of "the firm" giving "the firm" a concession to select gold mining areas therefrom for a term of 5 - 10 years ("Term").

(ii) During this "term" 'the firm' shall be at liberty to explore all the lands of the State and therefrom to select any area that they consider advisable (which areas may be of any size and of any shape) to test for gold and gold ore ("selected areas").

(iii) The selected areas" shall be demarcated by 'the Firm" and -- marked on the topographical map of 1" = 1 mile and rent shall be paid to "Govt." for these areas at the rate of Rs.50/- per sq. mile or part - thereof.

(iv) The firm" shall prospect and test those 'selected areas" and be at liberty to take out mining - leases on the same in the name of a Company or Companies ("Developing Company") which shall be formed by the "the firm" to develop the same in the ordinary lines of gold mining. Such leases shall be held under - [illegible] of rent and royalty similar

to those at present in force for the producing mines of the Kolar Gold - Field.

(v) The "Govt." in return for granting this "concession" for selecting - "gold areas" shall receive a 10 per cent interest in each initial "developing Company" formed to develop and mine gold on these mining leases".

3. It will be seen from the abov that Mr. Bosworth Smith on behalf of Messrs. John Taylor & Sons is agreeabl to an arrangement under which the Govt. will be allowed to participate in the profits of any Developing Company or Companies that may be formed for undertaking the development of the gold mining industry in the State.

4. In order to make the position more explicit and to render more definite the terms of the concessions to be granted to the prospecting syndicate and the developing companies to be -- constituted later on, the Dewan discussed the entire position again with Mr. Bosworth Smith in January 1923.

5. According to the understanding then arrived at, Mr. Bosworth Smith agreed to modify the proposals put forward by him and referred to above in the light of the following views of the Government:-

(i) That the syndicate undertak such prospecting work as will

distinctly new body.

(2) When such syndicate assigns its rights to separate individual "Developing Companies" the Govt. should be allotted a stipulated number of fully paid up - shcres in each such developing and orking company equal to 10 per ent of the total capital of such company.

(3) That the Govt. will give the syndicate permission to carry on prospecting and developing work only over four districts and not over the entire State.

(4) That for the areas to be selected by the Syndicate an -- ordinary rent at the rate of Rs.50/- a sq. mile or portion thereof will be payable to Govt., and

(5) With a view to ensuring that the syndicate carries on -- effective work the concessions will be, in the first instance, in force for a period of seven years only and it will also be stipulated that it will be open to the ~~same cessions~~ syndicate or for Govt. to withdraw their offer - within a period of three years from the date of the grant of the concessions. The syndicate will have to satisfy Govt. as to their intention to carry on effective work by employ

~~esthablishment~~ ent during

6. I am to state that the Govt. are always willing to provide all possible facilities for private capitalists to exploit the gold areas in the State. In view of the very valuable experience that Messrs. John Taylor & Sons have as pioneers in this line of work, the Govt. are anxious to enlist their co-operation in making the scheme for the prospecting of gold a success. The proposals now put forward by Mr. Bosworth Smith and as slightly proposed to be modified by the Govt. will it is believed render it possible for Messrs. John Taylor Sons to formulate a scheme by which will be possible to develop the industry to its fullest possible extent with advantage both to themsel and the Government.

6. I am now to enquire if Messrs. John Taylor & Sons will be prepared to undertake the work of prospecting in the State on the ~~above~~ terms. In the event of the offer being acceptable to the Company, Govt. will be glad to consider any detailed scheme based on the above lines which they may place before the Government.

7. I am to request you therefor to be so good as to place this matter before Messrs. John Taylor & Sons

communicate their views to Govt.

t your early convenience.

I have etc.,

5.3.23.

Secretary to Govt.Genl.Dept.

URGENT.

D.O. 198/9. Oorgaum, 20th March 1923.

4520.

GEN. & REV. SECRETARIAT
31 MAR 1923
INDUSTRIES & COMMERCE
BANGALORE

The Private Secretary
to the Dewan of Mysore,
BANGALORE.

Dear Sir,

I note from the papers that Mr. Banerji is visiting Chota Nagpur. Before he left he was good enough to promise that a copy of Government's letter to Messrs. John Taylor & Sons regarding their views on my "Selected Area Scheme" which was to be sent off to them by last mail, should be sent at the same time to me. As I am leaving for England shortly and it is important that I should discuss this matter with the various mines superintendents here before I leave I shall be very much obliged if you could let me have my copy now, or tell me when I may expect to receive it.

Yours faithfully,

P Bowen Thomas

K
21/3

G. R. S. VI—G/32]

1N

SUBJECT.....

.....

.....

Diary No. of letter replied to 4520.

General and Revenue Secretariat

( )

, *the* *191* .

Date of issue 31/3/23

Signed by Lt. G. Arava
Under Secy

Section Geol
File No. 94-22
Serial No 8

Do No. J C 5958 Q/31

P. Rohoodle Swales Esq

To Colgaum, K.G.F.

Dear Sir,

I am directed ~~to request~~ desire for your information to forward herewith a copy of letter no J.C.5957 Q 31-3-23 addressed to the Secretary & Treasurer, Messrs John Taylor & Sons Committee, Colgaum, regarding the development of Gold Mining Industry in the State.

Yours faithfully,

Secretary to Govt, Genl Dept.

over.

From Resr Engr Do Letter
No 1989 Q dt 20th March 1923
Requesting grant of Electric Power
Sever 1

4581 Geol 94-22-3.

MESSRS. JOHN TAYLOR & SONS' COMMITTEE,

OORGAUM,
SOUTH INDIA.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE EXECUTIVE MEMBER.

TELEGRAPHIC ADDRESS:—
"COMMITTEE OORGAUM."

57

3rd April 1923.

G. Aravamudu Iyengar, Esq., B.A., B.L.,

Secretary to the Government of His Highness the Maharaja of Mysore,

General Department,

Bangalore.

Ste
Mos
4/4/23

GEN. & REV. SECRETARIAT
4-APR 1923
INDUSTRIES & COMMERCE. BRANCH.

Sir,

I have the honour to acknowledge receipt of your letter No. J.C. 5957 / Geol.94-22-2 dated Bangalore 31st instant regarding certain proposals for Concessions recently put forward on behalf of Messrs. John Taylor & Sons, London, by Mr. P. Bosworth Smith and which the latter gentleman has had the previlege of discussing with the Dewan.

I am forwarding a copy of your letter to Messrs. John Taylor & Sons by to-morrow's mail and I shall have pleasure in communicating their reply as soon as it is received. In the meantime, Mr. Bosworth Smith has left for London in order to consult with Messrs. John Taylor & Sons and will be arriving there at about the same time as the copy of your letter is received.

I have the honour to be,

Sir,

Your most obedient servant,

EXECUTIVE MEMBER.

T.C.M.

DIARY NO 5554

14

THE KOLAR GOLD FIELD PROSPECTING DEPARTMENT.

19 Geol 94-22-4.
Section
File No.
Serial No.

6, Queen Street Place,
London, E.C.4.
24th May, 1923.

GEN. & REV. SECT.
JUN 1923
INDUSTRIES & COMMERCE BRANCH

PROS/S.

From

Messrs. John Taylor & Sons,

6, Queen Street Place, LONDON, E.C.

To

G. Aravamudu Iyengar, Esq., B.A., B.L.,

Secretary to the Government of His Highness the Maharaja of Mysore,

General Department.

Sir,

A CONCESSION FOR SELECTING GOLD AREAS.

A We desire to acknowledge the receipt of your letter, J.C. 5957/Geol. 94-22-2, dated the 31st March, on the above subject, the contents of which have had our very careful consideration. The terms and conditions appertaining to the granting of a Concession as above described we summarise as follows:-

(1) The Government would grant to a Syndicate to be formed permission to carry on prospecting and development work over four districts, and not over the entire State.

(2) The Concession would be granted for a period of seven years, subject to the Syndicate's or the Government's

desire to withdraw after a period of three years from the date of the granting of the Concession.

(3) The Government would allow blocks of any size and of any shape to be "selected" in any of the chosen four districts of the State for prospecting purposes.

(4) The rent to be paid to the Government for selected areas would be at the rate of Rs. 50 per square mile or part thereof.

(5) The Syndicate would be at liberty to take out mining leases on selected areas or on portions of these areas in the name of a Company or Companies which would be termed a "Developing Company" or "Developing Companies" and formed to develop such areas on the ordinary lines of gold mining. Such leases to be held under terms of rent and royalty similar to those in force for the producing mines on the Kolar Gold Field.

(6) The Syndicate on assigning its rights to a "Developing Company or to separate "Developing Companies" would allot to the Government a number of fully paid shares equal to 10% of the total capital of such Company or Companies.

2 We desire to thank the Government of His Highness the Maharaja of Mysore for the offer contained in the letter under acknowledgment, and we will now proceed to make our comments thereupon.

3 You refer to our letter of the 16th June, 1921, addressed to

16

our Committee, wherein we stated that due to the then existing conditions the prospect afforded of inducing investors to take up prospecting work in the Mysore State was not encouraging. As you are aware very large sums of money have already been expended by Companies under our management in prospecting for gold in the State outside of the Kolar Gold Field, but, unfortunately, with little or no success. The present position is that not only have the more productive mines on the Kolar Field shown a tendency (on the whole) to become less productive, but, owing to the serious decline in the premium on gold, the profits of those Companies have materially diminished. We thus have to consider the position from an investors point of view in the light of these unfavourable factors.

4. In the offer which the Government have made, not only are the terms not less onerous than those obtaining in regard to the Kolar Gold Field, but are, indeed, even more onerous, by reason of the fact that the Government require 10% interest in fully paid shares in any "Developing Company" or Companies formed as the outcome of the prospecting work undertaken. We would say in regard to this that such terms would, in our opinion, preclude the possibility of our being able, under prevailing conditions, to raise the necessary capital for testing any selected areas which might seem to present sufficiently attractive indications.

5. Whilst we are obliged for the opportunity given by the

(7)

Government to carry on prospecting and development work over four districts, in the circumstances, we would only feel justified in undertaking prospecting operations at present in one of the four districts, namely. the Kolar District, as having the advantage of a close association in the minds of the public with the Kolar Gold Field. Were success to be met with there, it would be an encouragement to take under favourable consideration the carrying out of testing operations on one or more of the other districts, and we have no doubt the Government would be prepared to grant to a Syndicate, for a specified period, an option over such remaining districts.

(6) We think it possible, if satisfactory terms could be arranged, that we might succeed in forming a Syndicate for the Kolar District, but we venture to think that if the districts in question are to be prospected, it will only be with a desire shown by the Government to encourage the introduction of capital for such prospective work, and that failing any financial assistance from the Government the terms must be such as would appeal to a mining investor.

(7) The 10% share interest we presume represents the consideration for the granting of prospecting rights over large areas. It is possible that we might induce our friends to accept a proposal of that kind if it applied solely to a 10% interest in fully paid shares in a Syndicate or Syndicates to be formed and not to the

18

ultimate "Developing Company or Companies"

Having given the whole matter very deliberate consideration, we feel bound to submit to you that it is only upon lines such as the following, as a counter proposal, that we could hope to approach our friends with any reasonable expectation of inducing them to take an interest in the prospecting of the Kolar and other Districts. Such proposal being:-

(1) That the Government should receive 10% of the nominal capital of any Syndicate formed for prospecting purposes.

(2) That they should waive any royalty on the value of the output of gold and accept, in its place, a royalty of 7½% on the dividends as and when paid by the ultimate "Development Company or Companies".

We cannot but think that it would be to the mutual benefit of the Government, and the interests we represent, to see the Kolar State more systematically prospected, and we trust that our views on the situation as herein expressed will appeal to the Government as reasonable and entitled to their favourable consideration.

Yours faithfully,

John Taylor & Sons

G. R. S. VI—G/32]

SUBJECT..... 19

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Diary No. of letter replied to 4561.

General and Revenue Secretariat

( )

, *the* 191 .

Date of issue 30-5-23

Signed by Mr T E Q

Section Geol

File No. 94-22

Serial No —— Remarks.

- No. 7318

To

R. Kaye Esq
Secretary & Treasurer
Messrs John Taylor & S
Committee
Oorgaum
K.G.F

Sir,

I am directed to invite refer
your letter dt 3-4-1923 regarding the
development of gold mining industry in
State and to request you to be so good as to
this Office I.C
when a reply to letter no 5957/Geol 94-
dt 31-3-23 maybe expected.

I have etc

30.5.23

for Secretary to Govt

over.

R.S. VI.—G/39.

90

SUBJECT

Issue & Submit.

Diary No. of letter replied to 564

Section. Geol

File No. 94-22

Serial No. 5

GENERAL AND REVENUE SECRETARIAT

( )

the *191*

No. J.C. 7599

Messrs John Taylor & Sons

6, Queen Street ~~London~~ Place,

London. E.C. 4.

Date of issue 13/6/23

Signed by for G.S.R. Rao

Gentlemen

I am directed to acknowledge the receipt of your communication noted in the margin and to state that the matter referred to therein will receive early attention.

Yours faithfully

~~I have etc.,~~

~~No.~~ Letter dated 24th May 1923

regarding the development of

~~Subject~~ gold mining industry in the Kolar.

12.6.23.

for Secretary to Government.

Bangalore City
11. June 1923

Dear Mr. Nathan,

We enclosed letter from Messrs John Taylor and Sons was received at my house on the afternoon of last saturday and opened by me. I could not immediately send it on to the Office as there was no messenger available. Neither could I deliver it in person as I was down with fever I am taking the earliest opportunity of sending it on to you and I hope.

5584 M 1 16/6

MESSRS. JOHN TAYLOR & SONS' COMMITTEE,

ALL COMMUNICATIONS TO BE ADDRESSED TO THE EXECUTIVE MEMBER.

TELEGRAPHIC ADDRESS:— "COMMITTEE OORGAUM."

OORGAUM,
SOUTH INDIA.

7th June 1923.

DIARY NO 5501

GEN. & REV. SECRETARIAT
JUN 1923
INDUSTRIES & COMMERCE BRANCH.

To T. R. Jeyarama Aiyar, Esq., B.A., B.L.,

Secretary to the Government of His Highness
the Maharaja of Mysore,

Revenue Department,

Bangalore.

19	19
Yellow	
File No.	
Serial No.	

Sir,

In further reply to your letter of the 30th ultimo No.I.C.7318/Geol.94-22, Messrs. John Taylor & Sons, London, inform me that their reply was mailed on the 24th ultimo. It may therefore be expected by the next English mail.

I have the honour to be,

Sir,

Your most obedient servant,

EXECUTIVE MEMBER.

DEWAN'S OFFICE.
Recd. on 9 June 23
Reg. No. 7192

T.C.M.

DIARY NO 5435

MESSRS. JOHN TAYLOR & SONS' COMMITTEE,

ALL COMMUNICATIONS TO BE ADDRESSED TO THE EXECUTIVE MEMBER.

TELEGRAPHIC ADDRESS:—
"COMMITTEE OORGAUM."

OORGAUM, SOUTH INDIA.

Section.

4th June 1923.

Serial No.

GEN. & REV. SECRETARIAT
5 JUN 1923
INDUSTRIES & COMMERCE. BRANCH.

T. E. Jeyarama Aiyar, Esq., B.A., B.L.,

Secretary to the Government of His Highness
the Maharaja of Mysore,

Revenue Department,

Bangalore.

Sir,

I have the honour to acknowledge receipt of your letter No.I.C.7318/Geol.94-22 dated the 30th ultimo and to inform you that I have communicated again with Messrs. John Taylor & Sons regarding the same. I will inform you immediately I hear from them.

I have the honour to be,

Sir,

Your most obedient servant,

EXECUTIVE MEMBER.

Submitted for kind perusal

5-6-23

9988-III
6.6.23.

1st Member & Dewan

5/6/23

8.6.23

T.C.M.

G. R. S. VI—G/32]

SUBJECT.....

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Diary No. of letter replied to.....

General and Revenue Secretariat

( )

, the *191* .

Date of issue 28/8/23

Signed by [illegible]

Section

File No.

Serial No.

D. O. No. 603-C/3

To

The Financial Secretary to Govt.

Dear Sir,

I am desired to state that the question of the negotiation with messrs. John Taylor and Sons regarding prospecting work for gold in the State will be taken up for consideration at the Council meeting on the 30th August 1923 and to request you to see so far as to make it convenient to be

over.

present at the time of discussion

at ~~about 9 P.M.~~

Yours sincerely

G

List of enclosures.

Copied by

Examined by

No. A/. J.C. 1594 Govt 94-22-47

To D/ 26-9-23

Messrs. John Taylor & Sons,
6, Queen's Street Place,
London E.C.4.

Gentlemen,

I am directed to acknowledge the receipt of your letter dated the 24th May 1923 submitting ~~your~~ certain counter proposals on the terms offered by His Highness' Government in the matter of the concessions for the development of prospecting work for gold in the State, as communicated in my letter No.5957 dated 31st March 1923 to the Secretary and Treasurer of your Committee at Ooregaum. These counter-proposals which are contained in the penultimate para of your letter are:-

(i) That the Government should receive ten per cent of the nominal capital of any Syndicate formed for prospecting purposes; and

(ii) That the Government should waive all royalty on the value of the gold output and accept instead a royalty of 7½ per cent on the dividends as and when paid by the ultimate Developing Company or Companies.

2. As regards the second point regarding payment of royalty, I am to state that Government after giving their best consideration to your proposal regret that they are unable to accept the terms proposed by you. The terms ~~offered to you~~ proposed by the Government in this respect are based on the principle now in practice in force according to which royalty is recovered partly on the gross value

27

of gold output and partly on the percentage of the net profits; and the Government are not prepared to deviate from this long established policy and ~~receive~~ have the royalty calculated on the dividends alone as required by you.

3. With regard to the first point, while the terms proposed by Government were that they should be allotted fully paid up shares equal to 10% of the total capital of each developing and working company to which the Syndicate may assign its rights, your proposal is that Government should receive 10% of the nominal capital of any Syndicate formed for prospecting purposes. The terms of your proposal are not quite clear; and the Government would, before they arrive at a decision in the matter, like to discuss it with a representative of your company with a view to obtaining a clear idea of your proposal and coming if possible, to an understanding ~~in the matter~~ which ~~might~~ may be acceptable both to ~~Government~~ them and to yourselves. I am to request you therefore to inform me if your Company will find it convenient to depute a representative to meet the Dewan of Mysore or any other officer who may be deputed by ~~Government~~ him in this behalf to discuss this question, and if so, to intimate the name of the representative and when ~~he may be expected to~~ and where he can meet the ~~Government~~ representative of the Government.

de 19/5

I have etc.,

Secretary to Government,
General Department.
(in charge).

To

Messrs. John Taylor & Sons,

6, Queens Street Place,

London E.C.4.

Gentlemen,

I am directed to acknowledge the receipt of your letter dated the 24th May 1923 submitting your counterproposals ~~opinion on~~ the terms offered by His Highness' Government in the matter of the concessions for the development of prospecting work for gold in the State, ~~and~~ communicated ~~to you~~ in my letter No.5957 dated 31st March 1923 to the -- Secretary and Treasurer of your Committee at Oorgaum. ~~You state in your letter~~ ~~under reference that you consider that the concessions offered by the Government~~ These counter proposals, which are contained in the penultimate para of your letter are not sufficiently attractive and suggest for the consideration of the Government certain alternative conditions on which you would be prepared to undertake such prospecting work. The conditions proposed by you may briefly be described as follows:--

(i) That, to begin with, you might be permitted to carry on prospecting work over only the Kolar District;

(ii) That the Government should receive ten per cent of the nominal capital of any Syndicate formed for prospecting purposes; and

(iii) ~~(iii)~~ That the Government should waive all royalty on the value of the gold outp and accept instead a royalty of 7½ per cent

on the dividends as and when paid by the ultimate Developing Company or Companies.

2 As regards the second point, I am to state that the Government have given your proposals very careful consideration and I am to express their regret that they do not find it possible to accept the terms proposed by you in their entirety. Your request that the Govt. should forego the royalty on the gross value of gold output and the percentage of the net profits in accordance with the existing rules and accept instead royalty at the rate of 7½ per cent on the dividends only as and when such dividends are declared by the ultimate Developing Company or Companies, - introduces a material departure from the approved policy of the Government which they are unable to accept. I am to point out in this connection that even under the existing contracts with the Kolar Gold Mining Companies, the Government are entitled to receive a royalty of five per cent upon the - upon the net sale proceeds of all gold output and in addition a royalty of 2½ per cent upon the amount of all -- dividends declared by the Companies.

I am however to state that the Government will be prepared to further discuss this subject with a representative of your company with a view to obtaining a clearer idea of what -

interest the Government will have in the ultimate mining Companies also with a view to arriving at an understanding as regards the precise character of the concessions which the circumstances of the case would warrant and which would be acceptable both to the Government and to yourselves.

I am to request you therefore to inform me if your Company will find it convenient to depute a representative to meet the Dewan of Mysore and discuss this question further, and if that is possible, to intimate the name of the representative and when he may be -- expected to visit this State.

I have etc.,

19.9.23.

Secretary to Govt.Genl.Dept.in charge.

Geol 94-22-8

THE KOLAR GOLD FIELD PROSPECTING DEPARTMENT.

6, Queen Street Place,
London, E.C.4. 18th October, 1923.

Ref. No. J.C.1594. Geol.94-22.

From:-
Messrs. John Taylor & Sons,
6, Queen Street Place,
LONDON, E.C.4.

To:-
K. V. Anantharaman, Esq., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

Dear Sir,

We beg to acknowledge the receipt of your letter of the 26th September last, conveying to us the views of His Highness' Government in the matter of the proposals formulated by ourselves in our letter of the 24th May last, concerning concessions for the development of gold lands in the State.

We observe that whilst our proposals do not meet the views of His Highness' Government in their entirety, the Government would welcome a discussion with a representative of our Firm, with a view to coming, if possible, to an understanding, which may be acceptable both to them and to ourselves.

We have pleasure in informing you that Mr. Henry C. Taylor will be visiting the Kolar Gold Field during the cold weather, and is due to arrive there towards the end of November

next.

That gentleman will have pleasure in taking an early opportunity of seeking an interview with the Dewan of Mysore, at which the above and other matters affecting the gold mining interests of the State may be discussed.

We are, Dear Sir,

Yours faithfully,

UPLICATE

DIARY NO. 19
Section:
File No.
Serial No.

PROS/S.

18th October, 1923.

Ref. No. J.C.1594. Geol.94-22.

Geol 94-22-P

From:-
Messrs. John Taylor & Sons,
6, Queen Street Place,
LONDON, E.C.4.

GEN. INDUSTRIES & COM.

To:-
K. V. Anantharaman, Esq., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

Dear Sir,

We beg to acknowledge the receipt of your letter of the 26th September last, conveying to us the views of His Highness' Government in the matter of the proposals formulated by ourselves in our letter of the 24th May last, concerning concessions for the development of gold lands in the State.

We observe that whilst our proposals do not meet the views of His Highness' Government in their entirety, the Government would welcome a discussion with a representative of our Firm, with a view to coming, if possible, to an understanding, which may be acceptable both to them and to ourselves.

We have pleasure in informing you that Mr. Henry C. Taylor will be visiting the Kolar Gold Field during the cold weather, and is due to arrive there towards the end of November

[G. R. S. VI—G/32]

35

SUBJECT .....

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.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

, the *192* .

Date of issue 2-1-24

Signed by Jur. S. N. R.

Section Geol

File No. 94-22

Serial No. 40

No. S. C. 4030

To The Offg Director, Dept of Geology

Sir,

I am directed to request that the file of papers relating to the fixing of the present rates of royalty with Messrs John Taylor & Sons may be forwarded for reference. They will be returned when no longer required.

I have the

honour to be

Sir

Your most obedient servant

31/12

for Secretary to Govt

over.

WD 0632 - GPB—1800—16-8 23

D. 2687/36

GENL. & REV. SECTT.
Br
7 JAN 1924
REVD
SECTION

No. 1063 Encs. 4 files

Dated Bangalore, 5th January 1924

Geol 94-22-11

From

A. M. Sen, Esq., M.Sc., F.G.S., &c.,
Offg. Director,
Mysore Geological Department,

To

21721
GEN. & REV. SECTT.
7-JAN 1924
INDUSTRIES & COMMERCE
BRANCH

K. V. Anantaraman, Esq., B.A.,
Offg. Secretary to the Government of
His Highness the Maharaja of Mysore,
Revenue Department, BANGALORE.

Sir,

In compliance with your letter No.I.C.4030/Geol 94-22, dated 2nd January 1924, I have the honour to forward herewith the undermentioned files relating to the fixing of the present rate of royalty with Messrs. John Taylor & Sons in connection with the renewal of the -- leases on the Kolar Gold Fields in respect of gold.

File No.218 of 1903-1904:—Correspondence relating to the renewal of mining leases.

Part I of File no 218 of 03-04 has not been received

✱ Part I 1888 to 1896.

✓ " II 1900.

✓ " III 1901 and 1902.

✓File No.218/B. Subsequent correspondence relating to the grant of the fresh leases in 1910.

I have the honour to be,

Sir,

Your Most Obedient Servant,

A. M. Sen

Offg. Director,

Mysore Geological Department.

P.V.N/4

G. R. S. VI–G-32]

B50—WD 0527

SUBJECT

Diary No. of letter replied to

General and Revenue Secretariat

( )

, the 192

Date of issue 16/1/25

Signed by M. V. Sayer

Section Geol

File No. 94-22

Serial No. 14.

No. 1.C 4690/

To Messrs: John T. Taylor & Sons
6, Queen Street
Place,
London.
E.C. 4

Gentlemen,

With reference to the ~~Prospecting~~ Agents' discussions ~~Employed~~ with the Director of Mines in the matter of Prospecting work for gold in the State, I am directed to request you to ~~favour~~ ~~you~~ state whether you have any definite proposals to make in the matter. ~~If so to forward~~ ~~them~~

An early reply is required.

I have etc

WM 15/1

2nd over for Secy: to

Govt. Rep.
Geol

JOHN TAYLOR & SONS.

TELEGRAPHIC ADDRESS.
"ROLYAT, CANNON, LONDON."

TELEPHONE, CITY 4214.

EDGAR TAYLOR.
HENRY CLAUDE TAYLOR.
ARTHUR ENFIELD TAYLOR.
KENNETH BARING TAYLOR.

6, Queen Street Place,
London, E.C.4.

12th February 1925.

From

Messrs. John Taylor & Sons,
6, Queen Street Place,
London, E. C. 4.

To

K. V. Anantaraman Esq., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Secretariat,
BANGALORE.

Dear Sir,

SELECTED PROSPECTING AREAS.

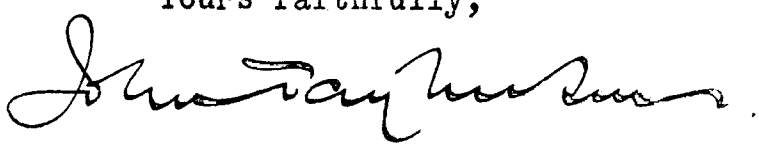
We beg to acknowledge receipt of your letter of 16th ultimo and to say that Mr. Henry Taylor's Notes of his interview with the Dewan of Mysore show that this question was discussed in Bangalore on 28/12/23 and again on 4/3/24.

The proposals of our letter to Government of the 24th May 1923 were gone into in detail at the former interview and at the latter Mr. Taylor was informed that the subject required further consideration and that a communication would be made to us in London so soon as Government was ready to enter further into the matter.

We have taken no further steps in the matter awaiting that communication, but we should be most pleased to re-open the negotiations on hearing from you.

We are, Dear Sir,

Yours faithfully,



I.C. 923 St. 16

CONFIDENTIAL.

Gad 94-22-16

40

To

Messrs. John Taylor & Sons.,
6, Queen' Street Place,
London E.C. 4.

Gentlemen,

I am directed to acknowledge receipt of your letter dated 12th Feb. 1925, stating - that you are awaiting a further communicatio from H.H's Government, before reopening the negotiations, in the matter of the prospecting work for gold in selected areas in the State.

You refere in your letter, to the discussions at the interview that Mr Henry Taylor had with the Dewan, on the 28th Dec. 1923 on this subject. At that meeting, Mr. Henry Taylor, on behalf of the Firm, represented - that, in regard to mining, the existing rules under which royalty is levied at 5% on the gross output and 2½% on divisible profits, should not be applied to the new companies, as it would be difficult to attract capital on those unfavourable terms; and it was suggested that royalty might be levied at the - rate of 7½% on the net profits.

In regard to the State's interest in the Gold Exploitation in the State, the proposal of the firm was, that the Government - would be given a 1/10 interest in the pros-

P.T.O

prospecting company, in the form of fully paid up shares and that ~~it~~ they would necessarily come in, for a share of the consideration which the company might get, for making over the find to a mining company, if the prospecting work proved successful. Mr. Henry Taylor stated that, in the then existing conditions of the money market in England, it was not possible to interest capitalists in any scheme of gold exploitation in the State, if Government wanted to reserve for themselves, a specified share in the Gold mining companies, as distinct from prospecting companies.

As regards the ~~first point~~ rate of royalty, I am to state that H.H's Government regret, that after a further careful consideration of your suggestions, they are unable to ~~entertain proposals relating to royalty,~~ different to the rules now in force for the calculation of royalty recoverable on gold.

I am to request you to communicate your ~~first~~ further proposals in regard to ~~your undertaking~~ further exploitation of gold in the State on the understanding that there will be no change in the rate of royalty now in force.

I have etc.,

for Secretary to Government,
Revenue Department.

BAS

42

1687

JOHN TAYLOR & SONS
TELEGRAPHIC ADDRESS.
'ROLYAT, CANNON, LONDON'
TELEPHONE, CITY 4214.
EDGAR TAYLOR.
HENRY CLAUDE TAYLOR.
ARTHUR ENFIELD TAYLOR.
KENNETH BARING TAYLOR.

GEN. & REV. SECRETARIAT
25 SEP 1925
INDUSTRIES & COMMERCE BRANCH.

6, Queen Street Place,
London,
E.C.4.

3rd September 1925.

Ex R 94-

From

Messrs. John Taylor & Sons,
6, Queen Street Place,
London, E. C. 4.

To

K. V. Anantaraman Esq., B. A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
General and Revenue Secretariat,
Bangalore.

Rec'd with Compts

22-9-25

Dear Sir,

Rec'd Part- from M/s A

Refer. a/s

Immediate 25/9

USP 25/9/25

8C.16 We beg to acknowledge the receipt of your letter dated the 13th August last, in the matter of prospecting work for gold in selected areas in the Mysore State, and we have carefully noted the views of His Highness' Government in regard to the representations made in December 1923, and as to their notifying that no change in the rates of Royalty now in force could be entertained.

2) In regard to any further proposals that we may wish to submit to the notice of Government, we would mention that Mr. Arthur E. Taylor is proceeding to the Kolar Gold Field in October next and will take an opportunity of going further

into this matter during his visit.

We are, Dear Sir,

Yours faithfully,

44

Reply will complete

29-9-25

3rd September 1925.

From

Messrs. John Taylor & Sons,
6, Queen Street Place,
London, E. C. 4.

To

K. V. Anantaraman Esq., B. A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
General and Revenue Secretariat,
Bangalore.

Dear Sir,

We beg to acknowledge the receipt of your letter dated the 13th August last, in the matter of prospecting work for gold in selected areas in the Mysore State, and we have carefully noted the views of His Highness' Government in regard to the representations made in December 1923, and as to their notifying that no change in the rates of Royalty now in force could be entertained.

In regard to any further proposals that we may wish to submit to the notice of Government, we would mention that Mr. Arthur E. Taylor is proceeding to the Kolar Gold Field in October next and take an opportunity of going further

45

into this matter during his visit.

We are, Dear Sir,

Yours faithfully,

JOHN MASON & SONS.